Austria ... Sch 16	Indonesia .. Rp 2500	Portugal ... Esc 80
Bahrain .. Din.0.650	Italy .... L 1300	S. Arabia .. Rls 6.00
Belgium .... BFr 42	Japan Y550	Singapore .. S$ 4.10
Canada .... C$1.00	Jordan ... Fils 500	Spain ..... Pta 110
Cyprus .... C£0.60	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr 7.25	Lebanon .. £L 8.00	Sweden .. Skr 6.50
Egypt ..... E£1.00	Luxembourg . LFr 42	Switzerland SFr 2.20
Finland .. Fmk 6.00	Malaysia .. Rm 4.25	Taiwan .... NT $95
France .. FFr. 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.800
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey ..... L 210
Greece ...... Dr 70	Netherlands Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr. 6.00	U.S.A. $1.00
India .... Rup 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,713 Thursday August 29 1985 D 8523 B

Argentines learn to live with low inflation, Page 3

World news | Business summary

Kohl sacks head of secret service

West German Chancellor Helmut Kohl dismissed secret service chief Heribert Hellenbroich after top spy-catcher Hans Joachim Tiedge fled to East Berlin.

At the same time, reports surfaced of another incident involving a high official in the counter-espionage service.

In London, an East German couple were remanded in custody on charges relating to passports under the Official Secrets Act and other laws. Another German couple were arrested in Switzerland on suspicion of spying for East Germany. Page 4

U.S. cool on treaty

The U.S. reacted coolly to a proposal for early talks on a comprehensive nuclear test ban treaty supported by the Soviet Union and other nations. Page 4

Moscow probe

A four-member team of U.S. doctors and scientists arrived in Moscow to investigate Washington's charges that KGB security police used a potentially dangerous chemical to keep track of American diplomats.

Bombay holds Tamil

A Sri Lankan Tamil leader was detained at Bombay airport returning to India five days after he had been deported from the country. Page 2

Bhutto warns

Pakistani opposition leader Benazir Bhutto warned the country's military Government that people would rise up to fight against martial law.

Lebanese freed

Israel released 113 Lebanese detainees, whose freedom was demanded in June by the hijackers of a Trans World Airlines aircraft.

Bomb kills 15

A suicide car bomber attacked Israeli-backed militiamen in south Lebanon, killing about 15 people. Page 2

Three held for killing

El Salvador's President José Napoleon Duarte said three people had been captured in connection with the June machinegun killing of 13 men, including four U.S. marines, at a pavement cafe.

Spanish hoaxes

Bomb hoaxes stopped an airliner and eight trains in Spain. In Barcelona police defused a bomb outside a government employment office after a warning by the Catalan separatist group Terra Lliure.

HK fraud trial

Peter Scales, former chairman of the Hong Kong Commodities Exchange, was committed for trial in Hong Kong on 21 charges of fraud and theft.

Kidnapper jailed

A 22-year-old West German was jailed for 3½ years in Chur, Switzerland, for kidnapping in January the grandson of West German publisher Axel Springer.

France sets date

France said regional elections would be held on September 29 in New Caledonia, setting in motion a plan to move the Pacific territory towards independence over the next three years.

French protest

Left-wing demonstrators dug up part of the track at Bordeaux station to stop a train carrying car factory equipment from northern France to Spain.

Palace coup

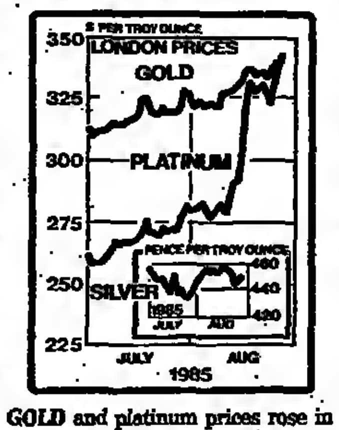
India's Finance Ministry seized marble palaces in Mysore and Bangalore from an ex-Maharaja to recover unpaid tax.

Reagan will not curb shoe imports

SHOES: President Ronald Reagan denied U.S. manufacturers the protection against foreign imports which they had been seeking for more than a year and which the U.S. International Trade Commission had recommended that they receive. Page 5

WESTINGHOUSE ELECTRONIC, the Pittsburgh-based conglomerate, put its U.S. cable television business up for sale in a move that could raise over $2bn. The group also plans to spend up to $1bn buying back up to 25m of its outstanding shares in a major corporate restructuring. Page 13

WALL STREET: The Dow Jones industrial average closed 8.82 up at 1,331.09. Page 30



GOLD and platinum prices rose in response to closure of financial markets in South Africa, where half the world's gold and 80 per cent of the world's platinum are mined. In London, gold closed $5.25 an ounce up at $340 and platinum ended at $342.25, up $10.25. By contrast, silver, which normally moves in tandem with gold, has remained largely unaffected by recent developments because it is mined mostly outside South Africa. The London spot price rose from 452.2p a troy oz to 456.15p. In New York the October Comex settlement was $342.80.

London metal prices, Page 22

TOKYO shares were mixed and the Nikkei-Dow market average closed 5.91 down at 12,685.50. Page 30

LONDON featured sharp falls in South African shares although most domestic blue chips finished unscathed. The FT Ordinary index gained 1.2 to 991.3. Gilts firmed. Page 30

DOLLAR ended in New York at DM 2.7718, SwFr 2.2700, FFr 8.46 and Y236.90. It was weaker in London, closing at DM 2.7710 (DM 2.789), SwFr 2.267 (SwFr 2.2865), FFr 8.4525 (FFr 8.515) and Y236.9 (Y237.35). On Bank of England figures, the dollar's index fell from 136.8 to 136.4. Page 23

STERLING ended in New York at $1.4030. It gained 85 points against the weaker dollar in London to close at $1.402. It also improved to DM 3.8825 (DM 3.88), FFr 11.86 (FFr 11.8475) and Y332.25 (Y330.0) but was weaker at SwFr 3.175 (SwFr 3.1825). The pound's exchange index rose to 82.5 from 82.1. Page 23

INTELSAT, the international telecommunications co-operative, signed a memorandum of understanding with the Soviet Union for the exchange of operational, technical and financial information.

INTERNATIONAL THOMSON, Canadian publishing to energy group, suffered a drop in net earnings to £41m ($56.9m) in the half-year to June 30 from £53m in the same period last year. Page 13

CATHAY PACIFIC Airway's new charter services from Hong Kong to Peking have been cancelled by China.

GULF CANADA oil group announced it will cease operations at its Montreal refinery and supply Quebec and Maritime customers from other sources.

MIM HOLDINGS, Queensland-based mining concern, had an overall loss for the year to June 30 of A$18.3m ($12.8m) but was comforted by a first-quarter net profit of A$33.8m. Page 15

Pretoria may seek credits linked to gold swap facility

BY OUR OWN CORRESPONDENT IN JOHANNESBURG

THE SOUTH African Government is expected to attempt lines of credit from foreign central banks, possibly allied to a gold swap facility, during the five-day suspension of foreign exchange and share market dealings which began yesterday.

Economists and bankers also believe that Pretoria will be forced to reimpose some exchange control measures to stabilise the rand, which fell on Tuesday to a record low of 35 U.S. cents before trading was suspended.

Dr Gerhard de Kock, the governor of the South African Reserve Bank, the central bank, is expected to arrive in London today on the first stage of a European trip. He is likely to meet officials at the Bank of England to discuss the country's debt, and then to go on to West Germany and Switzerland.

It is not known whether Dr de Kock will visit the U.S., where banks have been reluctant to roll over and extend maturing loans to South African borrowers following the domestic political unrest and growing international pressures for economic sanctions against the country. South Africa now faces repayments of more than $12bn over the next year.

Pretoria is thought to be considering a four-pronged approach, including emergency short-term borrowings from foreign central banks, attempts to persuade some central banks to pressure their member banks into renewing credit lines to South Africa, direct approaches to the major money-centre U.S. banks to maintain their lending and some reimposition of exchange controls.

There is disagreement as to whether the two-tier rand foreign exchange system will be revived. Some economists thought there would be a need for measures aimed at reducing the outflow of funds via the Johannesburg stock exchange as foreign investors sell off their equities and gilts.

Stock market turnover exceeded R58m on Tuesday compared with R21m on Monday and a "normal" daily turnover of R15m.

The temporary closure of the foreign exchange markets has meant that only limited dealings have been allowed, with dealers being told that foreign transactions already concluded could be finalised but that no new business could be undertaken.

Bankers in Europe believe, however, that it may prove very difficult for South Africa to win support from central banks for any new lines of credit.

The Bank for International Settlements in Basle, to which it would naturally turn for such assistance, has adopted a policy of resisting such loan requests. It would be unlikely to change this in such a politically sensitive case as thet of South Africa.

For similar reasons, many central banks are unlikely to want to exert too much public pressure on commercial banks to continue lending to South Africa. Such pressure would depend on how greatly they feel the banking system as a whole is threatened by developments there.

Stewart Fleming adds from Washington: Concern that action by U.S. banks to withdraw funds from South Africa could undercut the Reagan Administration's policy of constructive engagement with the white-ruled state is forcing officials in Washington to consider their response to the deepening financial problems there. No decisions had

Continued on Page 12

How Pretoria came close to debt default, Page 2; Editorial comment, Page 10

Police and army halt march in Cape Town

BY MICHAEL HOLMAN IN CAPE TOWN

THE SOUTH AFRICAN Government crackdown on opposition continued yesterday with the banning of one of the country's largest anti-apartheid organisations, while police and army units prevented a planned march in Cape Town on the prison holding Mr Nelson Mandela, detained leader of the banned African National Congress (ANC). Six people were killed and dozens injured in battles with police.

In Johannesburg last night, officials of the black National Union of Mineworkers (NUM) backed away from a major confrontation with the country's gold and coal-mining companies, saying they would accept last week's improved wage offer from the leading mining company, Anglo-American.

The NUM said, however, it would call on members to strike from Sunday on the five gold mines and two collieries owned by Gencor Goldfields of South Africa and Anglo Vaal. Should these companies penalise strikers, said officials the NUM would call for "solidarity action."

More than 80 per cent of NUM membership is employed on Anglo-American mines.

Three EEC foreign ministers, whose fact-finding visit appeared to have been placed in doubt this week by a hostile Government statement, are due, after all, to arrive tomorrow. Mr Pik Botha, South Africa's Foreign Minister who earlier sought "clarification" of the visit, said yesterday that, following an EEC response to the request, he now welcomed the visit. He was now satisfied, he said in Pretoria yesterday, that the Community did not claim "any right to interfere in South Africa's internal affairs."

The delegation includes Mr Jacques Poos of Luxembourg, Mr Hans van den Broek of the Netherlands and Mr Giulio Andreotti of Italy, as well as Mr Willy de Clercq, the EEC Commissioner for External Affairs. The ministers' report back to the Community will provide the basis for discussions of a joint EEC policy towards South Africa.

In a show of force yesterday, which had been preceded by arrests of leading anti-apartheid campaigners over the weekend and at the start of this week, the Government prevented the planned march on Pollsmoore Prison in Cape Town.

The Rev Allan Boesak, patron of the anti-apartheid United Democratic Front who helped to plan the march and was arrested on Tuesday afternoon, was transferred to a Pretoria jail yesterday.

The area around Cape Town's Athlone Stadium, where the march was due to begin, was cordoned off by army and police units at dawn yesterday and traffic blocks were set up on roads leading to the stadium.

In the black township of Guguletu, army units used tear gas, rubber bullets and shotguns to break up crowds of as many as 1,000 who lined the streets.

Challenge for ANC, Page 2

BA finds cracks in jet engines

BY TERRY DODSWORTH IN NEW YORK AND MICHAEL DONNE IN LONDON

BRITISH AIRWAYS said last night that four aircraft had been temporarily withdrawn from service because cracks had been found in one or more of the combustion chambers of their Pratt & Whitney engines of the type involved in the Boeing 737 fire last week at Manchester in which 54 people died.

The cracks were discovered in inspections ordered by UK air safety authorities. All the affected combustion chambers would be replaced before 737s were returned to service, British Airways said. Orion Airways, a UK charter operator discovered cracks in one of its 737s earlier yesterday.

Earlier yesterday, the Federal Aviation Authority (FAA), the U.S. airline regulatory body, ordered U.S. airlines to inspect their Pratt & Whitney engines of the type involved at Manchester.

The U.S. order, framed as an airworthiness directive, requires a special inspection of the engines but it will not involve the grounding of aircraft and is not expected to disrupt services.

An FAA official said yesterday that the decision to make the directive followed discussions with Britain's Civil Aviation Authority (CAA). It had not been decided whether the order would extend beyond the Series 15 version of the JT8D engine, which has come under suspicion in the UK.

The British authorities said on Tuesday night that all UK-registered aircraft using the JT8D and incorporating a modification (called SB-5192) to the combustion chamber should be checked if they had flown for more than 12,000 hours since new, or for more than 1,000 hours since previous inspection.

Pratt & Whitney said it had sent out an advisory note to U.S. airlines concerning the suspect engine last Friday, after the Manchester fire, recommending special inspections but not making them mandatory. The Manchester fire, involving a Boeing 737 operated by the charter subsidiary of British Airways, is believed to have been caused by a failure in the engine combustion chamber, spraying burning fuel over the rear of the aircraft.

Other airlines throughout the world using the engine will carry out the checks, where they have not already begun to do so. Like the CAA's directive, the FAA's order will also go out to airlines everywhere using the engine.

Although about 12,000 JT8D engines are in use throughout the world, in several thousand twin-engined Boeing 737s and McDonnell Douglas DC-9s, and in Boeing 727 tri-jets, not all of them are of the type involved in the Manchester fire. Many do not incorporate the suspect modification to the combustion chamber.

JAL managers urged to quit, Page 2

Carbide plans share buy-back, $990m charge

By Terry Dodsworth in New York

UNION CARBIDE, the beleaguered U.S. chemicals company, will take a pre-tax charge of about $990m this year and buy back about 14 per cent of its equity as part of a sweeping reorganisation plan to protect itself from any takeover.

Disclosure of the proposals, which had been widely expected on Wall Street, follows the revelation that the GAF chemicals and roofing materials group has built up a stake of more than 7 per cent in Carbide.

Several speculative investors are said to have expressed an interest in the group since the slump in its share price late last year. The company's shares plummeted at that time to $35¼ because of its liability for insurance claims for victims of the Bhopal gas disaster in India.

More recently, the shares have recovered because of the takeover talk, trading at $55¾ yesterday soon after the announcement of the plan. But the company has looked even more vulnerable to takeover following chemical leaks and criticisms of inadequate management at its West Virginia plant.

In 1984, Carbide earned $323m or $4.59 a share on sales of $9.5bn.

Outlining the restructuring programme yesterday, Mr Warren Anderson, chairman, said that the after-tax impact of the charges would amount to about $8 a share this year, or the equivalent of about $560m. However, he expected the reorganisation to cut costs by about $300m in pre-tax earnings.

The new restructuring follows an earlier decision to reshuffle Carbide's businesses into two main operating divisions. The plan includes:

- A 15 per cent salaried staff reduction (4,000 jobs) by early 1986, to save $250m a year.
- Divestiture of "non-strategic" business and assets to yield approximately $500m.
- Additional spending on environmental protection and safety. About 100m has been authorised in addition to the 120m already committed for 1985.
- Changes aimed at tapping the corporation pension plan, which is currently overfunded, to yield about $500m of surplus funds.
- An open market share repurchase programme covering up to 10m shares, which would cost about $550m, and a related debt reduction plan.
- Writeoffs and writedowns of certain assets, mainly in the petrochemical and metals and carbon products areas. The writeoffs would result in non-recurring charges of about $865m, while reducing future depreciation by some $550m a year.

Lagos set to review oil barter policy

BY PATTI WALDMEIR IN LONDON

NIGERIA'S controversial policy of counter-trading oil for goods is to be "reviewed" by the new military regime, Maj-Gen Ibrahim Babangida, the country's new leader, has announced.

In addition, the regime, which took power in a coup on Tuesday morning, is believed to be planning early contacts with the International Monetary Fund (IMF) in Washington following years of argument over the conditions attached to a proposed $2.5bn IMF loan to Nigeria.

A key condition laid down by the IMF has been a devaluation of the naira, a move long opposed by successive Nigerian governments. The new regime, however, is believed to be willing to agree to this.

The ousted regime of Maj-Gen Muhammadu Buhari had been at loggerheads with the IMF virtually since taking power on December 31 1983 over the issue of conditions attached to the proposed loan.

In his first address to the nation on Tuesday, Gen Babangida pledged to try to break this deadlock, and it is believed the new regime might be willing to agree to a devaluation of the naira, a key condition of the loan which has been opposed by Nigerian rulers for several years.

Gen Babangida's address included two important indicators of possible economic policy changes:

NIGERIA'S BARTER DEALS

Sept 1984	$500m deal with Cotia of Brazil
May 1985	$500m deal with SCOA and Elf Aquitaine of France
May 1985	$200m deal with Voest Alpine of Austria
May 1985	$400m deal agreed in principle with Fiat and ENI groups of Italy

he said that the controversial policy of counter-trading oil for goods pursed by the Buhari regime would be "reviewed", and criticised Buhari for using too much of the country's scarce foreign exchange earnings to repay debts.

Gen Babangida, who was the number three ranking member in the Supreme Military Council of Gen Buhari which launched the counter-trade strategy about a year ago, was known to have opposed such deals on grounds they were costly and that some government members had used the deals for their own financial gain.

His statement led to speculation that at least some of the estimated $2bn in such deals signed or agreed in principle by Buhari might be suspended, or possibly not renewed by the Government.

Counter-trade was widely viewed as the Buhari regime's attempt to survive its foreign exchange crisis

Continued on Page 12

British rail workers vote to reject strike

BY OUR LABOUR AND INDUSTRIAL STAFF IN LONDON

THE UK's largest railway union was preparing last night to negotiate with British Rail on driver-only train operation and on productivity measures after guards voted unexpectedly against industrial action.

In a national ballot conducted on Friday and counted yesterday, the guards in the National Union of Railwaymen (NUR) voted by 4,815 to 4,360 against a campaign of action, including strikes. The turnout was a high 84 per cent, and 52.5 per cent of those stating a preference voted against action.

The NUR executive committee later decided to seek a meeting with the British Railways Board in the next few days; to meet the train drivers' union Aslef to discuss the position; and, most significantly, to recall the NUR conference after next week's conference at Britain's Trades Union Congress.

It appeared that the union was poised to use its conference to rescind its two-year-old policy of opposition to discussion of productivity measures – a move BR has insisted on as a precondition to talks.

Mr Jimmy Knapp, the NUR's general secretary, said there would be no further disruption of Britain's rail network. "Our members have given us a message and we will listen to that message. They want us to negotiate and that is what we will do."

Mr Knapp said, however, that BR sould immediately reinstate all guards dismissed during the dispute if it wanted to create "a helpful

Continued on Page 12

Editorial comment; After the vote, Page 10

CONTENTS

Europe 4
Companies 13
America 3
Companies 13, 14
Overseas 2
Companies 15
World Trade 5
Britain 6–8
Companies 16, 17

Agriculture 22
Appointments 19
Appointments advertising .... I–VI
Arts – Reviews 9
– World Guide 9
Business Law 19
Commodities 22
Crossword 19

Currencies 23
Editorial comment 10
Eurobonds 13, 14
Euro-options 26
Financial Futures 23
Gold 22
Int. Capital Markets .. 13, 14
Letters 11
Lex 12
Lombard 11
Management 18
Market Monitors 30
Men and Matters 18
Money Markets 23
Raw materials 22
Stock markets – Bourses 27, 30
Wall St 27-30
London .. 24-27, 30
Technology 18
Unit Trusts 19-21
Weather 12

South Africa: unrest brings challenge for ANC 2
Argentina: mixed blessings in the austerity package .. 3
Europe: Greenpeace shockwaves rock France 4
Canada: weaving solution to a clothing trade problem .. 5
Editorial comment: S. Africa; UK rail vote 10
Britain: after the rail unions vote against strike 10
Banking: deregulation gains that add up to zero 11
Lombard: the alternative to no alternative 11
Lex: rand; SEC; Marley; Fleet/United 12
Business Law: bankers versus U.S. judges 19

Suicide car bomber kills 15 in attack on SLA position

BY OUR FOREIGN STAFF

A SUICIDE car bomber yesterday attacked Israeli-backed militiamen in south Lebanon after Israeli troops stormed Shi'ite Moslem villages and 113 Lebanese and Palestinian prisooers were freed from Atlit jail in Israel.

About 15 people, including members of the South Lebanon Army (SLA) militia, were killed or wounded when a car rigged with 300 kg (660 lbs) of explosives rammed an SLA post between the villages of Barti and Rimat near the SLA-beld Christian town of Jezzine.

State-owned Lebanese television said the attack was carried out by a member of tbe "Assad Brigade" of the Lebanese brancb of the Arab Ba'ath Party, named after Syrian leader Hafez al-Assad.

Witnesses said the blast was followed by beavy sbooting from SLA positions and added they saw three SLA men with blood-covered faces and a fourth motionless on the ground.

Earlier, Israeli troops backed by tanks, armoured cars and belicopter gunships entered several Shi'ite Moslem villages on the edge of the SLA "security zone."

In Jerusalem the Israeli army said it had acted in response to the recent killings of two Israeli soldiers in south Lebanon and a rocket attack on northern Galilee launcbed from the same area two days ago.

An official statement said that, following searches in the villages of Kabricha, Majd el Salim and Shakra, adjacent to the "security zone," several suspects had been detained and various weapons found, including rockets, roadsids charges and bombs.

The action had been taken, the statement added, "to prevent hostile activity against northern settlements."

A spokesman with the UN's Unifil forces in south Lebanon said that the Israeli raid had been carried out at dawn by two mechanised companies supported by Cobra balicopter gunships. Up to seven villagers were reportedly arrested and one bouse blown up. Bullets were fired from the air into the surrounding hillside, and one man was shot in the leg when he refused to open his door to Israeli troopers.

Ghanaian UN troops, in whose area the Israeli action took place, where denied eccess to the villages affected until after the departure of the Israeli forces.

The prisoners freed from the Israeli jail returned to Lebanon under beavy guard by the Shi'ite Amal militia. In the convoy of 113 Arab prisoners were 66 Palestinians, who were taken at gunpoint from the Red Cross buses and cars, bundied into Amal cars and driven to undisclosed destinations. Most of the other prisoners were members of the radical Shi'ite Hezbollah, or Party of God.

Politician denies Japan holding down yen value

By Carla Rapoport in Tokyo

ONE OF Japan's leading politicians bas written a letter to Mrs Margaret Thatcher, the Prime Minister, in protest against her recent claims that Japan is artificially bolding down the value of the yen.

Mr Susumo Nokaido, deputy to Prime Minister Yasuhiro Nakasone in Japan's ruling Liberal-Democratic Party, bas said that Japan is "definitely not" intent on keeping the yen weak. Japan was boping for a further appreciation of the yen against foreign currencies, he added.

Mrs Thatcher made her claim at a meeting of the International Democratic Union in Washington last month. Foreign analysts have long accused Japan of keeping domestic interest rates low so that the yen will remain weak and thus bold down the cost of Japan's exports abroad. Excerpts of Mr Nokaido's letter were pnblished yesterday in the Nihon Keizai Shimbun, ooe of Japan's leading newspapers.

"Japan wants the yen's rate to reflect the fundamental strength of the Japanese economy," the letter states. "It is not so much a question of the yen being weak, as of the dollar's continuing strength," Mr Nokaido adds.

Remarking on Japan's buge capital outflows, largely to the U.S., where interest rates are bigbar than those in Japan, Mr Nokaido states: "Given the current freedom of capital transactions it is understandable that there sbould be a flow of capital to the U.S. It is impossible for tha Government effectively to control these capital movements."

JAL senior management urged to quit

By Our Tokyo Staff

CRITICISM of Japan Air Lines' management mounted yesterday, amid calls that all the airline's top management should resign in the wake of the recent JAL 747 crash which killed 520 people.

Although the exact cause of the crash is still unknown, Mr Tokuo Yamashita, Minister of Transport, said yesterday that all the top executives should resign "to change the company completely."

"I know nothing about technical things . . . but this accident is a disaster caused by men," said Mr Yamashita in an interview with one of Tokyo's leading newspapers.

Mr Yasumoto Takagi, JAL's president, has said he intends to resign following the recovery of all the bodies and the funerals of the victims. Others, bowever, including top politicians, are now saying that Mr Takagi's resignation will not be enough.

JAL is 35.4 per cent Government-owned, which accounts for the heavy responsibility felt by government leaders over the crash. Mr Yamashita said that the complete privatisation of JAL may be necessary before the Japanese people could fully trust the company again. Privatisation of JAL has been mooted for some time, but the timing has never been made definite.

P. C. Mahanti adds from Calcutta: The General Insurance Corporation of India, the country's nationalised monopoly insurance company, has settled Air India's claim for the loss of its Boeing 747 jet whicb crashed off the Irish coast in June, for $95m.

The cause of the crash in which 329 died has yet to be determined.

Korean talks halted

Prospects of e positive dialogue between North and South Korea dimmed yesterday wben the two sides abruptly ended Red Cross talks in Pyongyang but exchange visits by separated families are expected to go ahead, **Renter reports from Seoul.**

The Red Cross delegations accused each other of using the talks for political purposes after the South Korean team walked out of a gymnastic display at Pyongyang's Moranbong stadium where 50,000 North Korean students, brandishing rifles and shouting war-like slogans, staged a mock battle.

Chinese fraud alleged

Chinese companies have milked the government of at least 4.6bn yuan (£1.15bn) througb fraud, waste and tax evasion over the last two years, tbe China Daily said yesterday, **Reuter reports from Peking.**

Punjab poll boycott

A militant Sikh group led by the father of slain extremist leader Jarnail Singh Bhindranwale said yesterday it would boycott next month's Punjab elections. **Renter reports from New Delhi.**

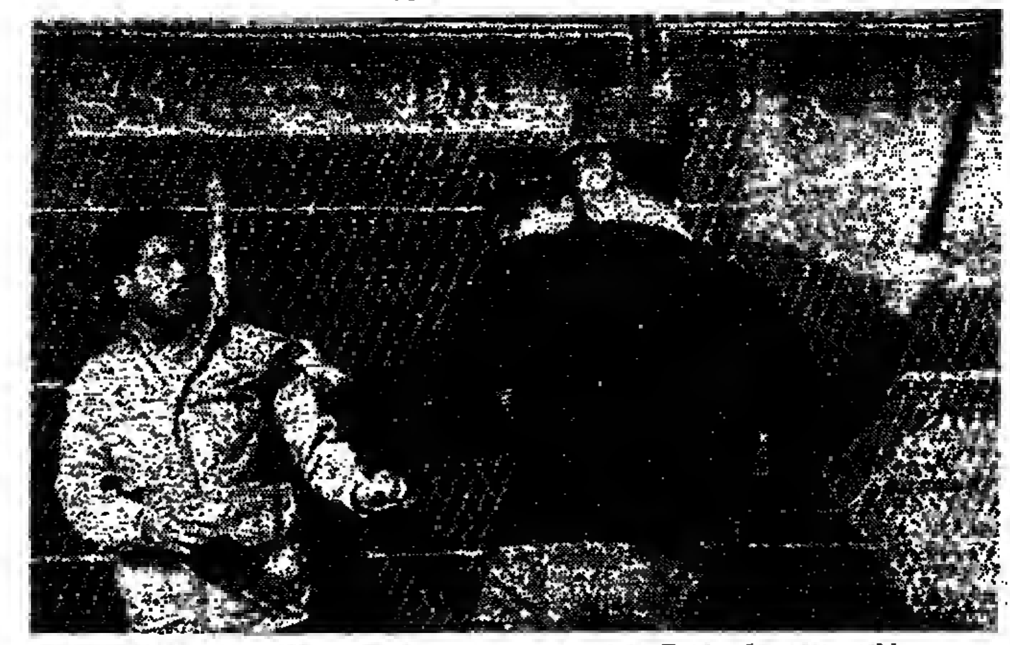
Uganda talks planned

Delicate talka between the new Ugandan military leaders and the country's biggest guerrilla group will probably resume next week, authoritative sources said yesterday, **Reuter reports from Nairobi.** The sources declined to disclose details of the two days of talks so far between the National Resistance Army rebels and the military government.

The tide of violent opposition to apartheid is rising as Pretoria's international financial crisis deepens

Fires of unrest spark challenge for ANC

BY PATTI WALDMEIR



Demonstrator grabbed by police yesterday in a Cape Town coloured township

WHEN Mr Oliver Tambo, ths soft-spoken lawyer who is president of the African National Congress (ANC) of South Africa delivered his reaction to President P. W. Botha's much-heralded Durban reform speech, his response was perhaps predictable. The armed struggle against apartheid would intensify and "many white people" would die as a result.

Tbe congress, the leading exiled nationalist movement fighting white rule, has been waging a propaganda campaign for the past 18 months to urge township dwellers to "make the country ungovernable."

During that time, numerous townships have indeed become ungovernable. Homes of black councillors and policemen bave been firebombed, those who "collaborate" with the apartheid authorities have been murdered and the security forces prevented from entering many areas without armed protection.

The official line from Lusaka is that the chaos which prevails in many townships is the concrete result of ANC agitation, but officials acknowledge privately that their direct influence on events is limited, and that volatile conditions in the townships evolve at a rate over which neither they nor anyone else has much control.

Almost a year of escalating violence in black townships has presented the ANC with what appears to be the most important challenge of its 73-year history. Faced with a rising tide of violent opposition to apartheid over which the organisation has little direct control, observers believe the ANC must broaden its political and military base within the republic or risk the prospect of seeing events take their own course.

After 25 years of relying on well-trained guerrillas to launch controlled attacks from relatively secure bases in exile, the nature of ANC strategy bas had to change fundamentally in response to an unprecedented level of violence in townships, where flash fires of unrest are ignited almost daily.

"It is no longer a question of fighting for lower bus fares or rents," says one ANC official in Lusaka. "The battle in ths townships has become a full-scals confrontation over who in fact rules."

Officials believe the internal situation in South Africa now is more ripe for change than at any tims in the country's history. The ANC's answer to the question of bow to exploit this situation will be critical in determining not only the future role of the organisation but, most probably, the overall course of events in the repnblic.

Tactics were a central issue when 250 ANC delegates, including commanders of Umkhonto we Sizwe, the ANC military wing, gathered in the Zambian mining town of Kabwe last June for an extraordinary "council of war," the first ancb conference since 1969.

The mood was jubilant, because the past 18 months have brought ebout a striking shift in the fortunes of the organisation.

The ANC was banned in 1960 and by 1961, when Umkhonto we Sizwe was created, it had turned away from a policy of non-violeoce to adopt guerrilla tactics.

The present strength of Umkhonto we Sizwe (the spear of the nation) is estimated at anywhere between 2,000 and 8,000. Recruitment received a large boost after the Soweto riots of 1976, when thousands of young township dwellers are believed to have left for military training abroad.

A group of more radical, and more impatient younger Congress members has since played an increasingly important role in the organisation, although the ANC's top leadership, dominated by the mnch older generation of imprisoned leader Mr Nelson Mandela, still appears firmly in control.

The organisation's fortunes dropped to their lowest point in March 1984 when Maputo and Pretoria concluded the Nkomati non-aggression pact, which led to the expulsion of the ANC from Mozambique. Nkomati was a serious defeat, removing the ANC's only diplomatically secure jumping off point for incursions into the repnblic.

Ironically, however, it is the Nkomati accord which acted as a catalyst to persuade black South Africans that, in the words of one Soweto resident, "the ANC would not be marching on Pretoria to liberate us."

ANC leaders argue that, although there have been periods of sustained violence before in South African history, the present situation is qualitatively different. Coupled with a serious economic crisis and black unemployment at unprecedented levels, the demonstrable willingness of young black militants to die for a hazily-perceived cause—the destrnction of the apartheid system, without putting mnch clear thought into what would replace it—has created conditions which require a new response from the ANC.

The Kabwe congress sketched out that response. Its most publicised conclusion was a shift in its military strategy: the ANC's definition of legitimate targets would henceforth extend beyond military and economic installations to include so-called "soft targets."

Less publicised ANC decisions, however, could argnably have a more far-reaching impact on the organisation's overall effectiveness in the republic.

There will be a newly-intensified focus on strictly political activities. ANC officials appear to be seeking a greater role for the organisation in the increasingly powerful trade union movement and in the plethora of community-based associations which heavily influence events in the townships.

The United Democratic Front (UDF), the powerful non-racial coalition of such community groups, has recently become a prominent political force. It counts many ANC veterans among its members, although its leadership denies South African charges that it is an ANC front.

The congress also reaffirmed the ANC's commitment to its non-racial charter with tha election for the first time of non-blacks to an expanded 30-member national executive whicb now has one white, two Indian and two coloured (mixed race) members.

Tha white member is Mr Joe Slovo, a former lawyer and member of the South African Communist Party, who is believed to be a key military strategist.

There can be little doubt that there is evidence within South Africa of widespread black devotion to the country's oldest nationalist movement; or at least to the gronp's symbols, its black, green and gold banner which shrouds many township coffins, and the praise songs dedicated to Nelson Mandela and Oliver Tambo which burst forth at township funerals.

There is also ample evidence from recent public opinion polls among blacks, that Mr Mandela remains their chosen leader.

There is little sign, bowever, that the ANC is prepared to launch the co-ordinated nationwide assault against apartheid, on both the political and military fronts, which officials believe is necessary to bring about fundamental change.

According to one South African academic: "A bomb a week does not add up to a full-scale guerrilla war . . . but it could be reasonably contended that the ANC has largely won the ideological battle."

How South Africa came close to debt default

By Jim Jones in Johannesburg

SOUTH AFRICA came perilously close this week to becoming the world's latest major problem debtor, a spectre which has receded only slightly with the temporary suspension of foreign exchange and stock market transactions.

It can only be removed entirely if foreign banks are prepared to close their eyes to the country's political turmoil and focus solely on economic fundamentals.

The mathematics of South Africa's brush with international loan default are simple. The country owes about $17bn (£12bn) in foreign debt, of which about $12bn is short-term and, in theory liable for repayment within a year. At the end of July the country's Reserve Bank had about 6.43m ounces of gold in its vaults—worth about $2.1bn at the current gold price—and liquid foreign assets of Rand 630m (£180m).

According to Dr Gerhard de Kock, the Reserve Bank governor, South Africa's surplus on the current balance of payments is likely to amount to about Rand 5bn this year end, as a result, the country could afford to service its foreign borrowings and meet ebout Rand 400m a month in loan capital redemptions.

In a nutshell, South Africa either reaches some form of agreement with its foreign creditors or defaults on its loans. Tha face-saving device of "rescheduling" is not possible while foreign banks such as Chase Manhattan maintain their pnblicly stated determination to reduce their South African exposure.

In South Africa's case any temporary arrangements with lenders are unlikely to dissipate the extreme crisis of confidence which cut the rand's external worth to an all-time low of $0.35 on Tuesday. Foreign lenders are likely to maintain their exposure only if they are locked in by a South African refusal to repay loans or if their confidence is maintained. The latter alternative eppears highly improbable under current conditions.

For the present South Africa's best option lies in some pretty hard horse trading. One bank economist in Johannesburg estimates that tbe crisis conld be overcome if South Africa entered into a $1bn gold swap with other central banks and/or arranged direct credit lines with other central banks wbich permitted it to service and repay its sbort-term borrowings on time. Essentially, of course, that would mean central banks accepting lending risks which commercial banks in their own or other countries are unwilling to bear, something the U.S. Federal Reserve bas been reluctant to allow over Latin American debt.

Special direct assistance by the U.S. Federal Reserve would almost certainly elicit calls from American anti-apartheid groups for corresponding political concessionsf rom an increasingly obdnrate South African Government.

Tbe most likely immediate outcome of domestic and foreign negotiations over the next few days will be extension of additional central bank facilities to the South African Reserve Bank combined with persuasion of foreign commercial banks to continue rolling over current lines of credit.

This, though, will be a temporary palliative. Longer term there remains the problem of the continuing capital flight wbich threatens the country's economic recovery. For the present, bankers in Johannesburg stick to the view that the current temporary measures will not be followed by strict foreign axchange and import controls. Nevertheless they do concede that soms tightening of the foreign exchange relaxations made since February 1983 is inevitable.

In Johannesburg a growing view is that the world's bankers may need to support South Africa for fear thet e default would trigger off or set a precedent for defaults by other debtor nations.

South Africa is a comparatively small borrower by Latin American standards. However, if it were to halt loan repayments withont rescheduling tho balance sheets of several major commercial banks could be badly damaged.

The killing ground of Trincomalee

Alain Cass takes a bicycle ride to meet the Tamil Tigers

The Sri Lankan Government decided yesterday to raise new reserve forces to help the military and police in battling Tamil separatist guerrillas, a government spokesman said, Reuter reports from Colombo.

Information Minister Anandatissa de Alwis said draft laws would also provide for "obligatory service and voluntary service" in the new National Armed Reserve.

The announcement came as residents of the northern town of Jaffna observed a two-hour strike in protest against the expulsion of two Tamil leaders by India and demanding the release of detained suspected guerrillas.

In Bombay, officials said India plans to deport a Sri Lankan Tamil leader for the second time in four days but does not yet know where to send him. The case of Mr Chelvanayagam Chandrahasan, who is detained at Delhi airport, threatened to turn into a major headache for Prime Minister Rajiv Gandhi with rallies planned and court actions to stop the deportation.

Mr Chandrahasan, head of the Organisation for Protection of Tamils from Genocide (Proteg), was deported to the U.S. last Saturday. He refused to enter the U.S. and arrived back in Bombay yesterday.

IF YOU WANT to catch a tiger—the Tamil, not the striped variety—then first secure a bicycle. That was the unofficial advice of the Sri Lankan army at the guard post on a stretcb of beach road dotted with abandoned luxury hotels outside the strategic harbour of Trinocomalee.

This is tbe new front line between Tamily separatist guerrillas, the so called Tigers, in the northeast of the island and the predominantly Sinhalese government troops. They are fighting a frustrating shadow war against an enemy they rarely see. Half a dozen troops armed with automatic rifles and grenades stood guard behind a makeshift road block beyond which no Sinhalese dares venture for fear of his life.

"Your car will be hijacked by the terrorists, and your driver will most probably be killed because be is Sinhalese. The Tigers are two miles away. I suggest yon take a bicycle," said the obliging Sri Lankan officer.

Tha army was more than usually nervous as six navy personnel and a civilian woman had been killed in a land-mine explosion 15 miles from the city on Tuesday. Local Sinhalese residents were already taking reprisals against what they claimed were Tamil sympathisers as the smoking and gutted ruins of two houses testified.

At the road block, two bicycles were produced by helpful residents for the Financial Times and the BBC. We set off across no-man's land, negotiating a bridge whicb had been largely destroyed by the guerrillas last week, to reach the edge of an area of around 350 square miles which appears entirely in the bands of the Liberation Tigers of Tamil Eelam.

Trincomalee has e peculiar importance in this unpleasant little war because of its deep-water harbour which sits astride tha sea lanes of the Indian Ocean. In its tims it has been used by the West and coveted both by the Soviet Union and India. Sri Lanka intends to bold on to it at all costs.

Tamil separatists claim it as their own along with the Jaffna peoinsula in the north even though tha city has a mixed population of Tamils, Sinhalese and Moors

Thousands—mostly Tamils—have fled the city, as Sinhalese mobs with tha tacit, and occasionally active, support of the armed forces have backed people to death, looted their shops and burnt tbeir bouses.

The city is caught in a dangerous spiral of violence in which Tamil attacks are followed by Sinhalese reprisals which in turn provoke yet more separatist incidents. Tension has been mounting since the disappearance two weeks ago of 37 Sinhalese fishermen.

Tourists, with their desperately needed foreign currency, usually much in evidence at this time of year, have vanished. All but two of the dozens of botels are shnt, and Trincomalee is deserted, economically destitute, tense and sometimes bostile.

By contrast, the area controlled by the Tigers seems calm. A local unit commander of the Tigers, and another guerrilla, whom we reached on our bicycles, gave us e guided tour of the area on motorcycles, cradling band grenades in thair laps "for our security," according to commander Vijay.

Between 10,000 and 12,000 Tamil refugees have crosed into the area, the Tigers say, to fill four makeshift refugee camps. Food is scarce and local health officials claim the Government is only supplying the camps with three days' rations for a week. "The refugees eat one meal a day and sometimes none. We have no medicines, and no beds to treat the sick," said a local doctor.

At the camps refugees told harrowing stories of intimidation. One woman claimed ber sister had been shot while trying to leave her home which was under attack. She and other independent sources in Trincomalee claim that the army and police stood by two days ago as dozens of Tamil bouses near the city were set ablaze by Sinhalese mobs.

Senior army officers deny that their men have indulged in widespread abuses although they admit to some misbehaviour. For the time being the army does not seem to havs the strength or the political will to take on the Tigers, around Trincomalee. This may change if the peace talks currently taking place in New Delhi break down irretrievably. However, for the time being, Tiger commander Vijay seems justified in claiming that "we can hold on to the area as long as we want."

ENERGY AND RESOURCE INVESTMENTS SLOW TO PAY OFF

Worries surface over the size of Australia's external debt

BY MICHAEL THOMPSON-NOEL IN SYDNEY

"SHE'LL be right, mate" is an expression that still reverberates around Australia, denoting lackadaisical reassurance that things will sort themselves out, and that all is well with the world.

It is an axpression that bas not yet surfaced io the deba(: Down Under over the size of Australia's external debt; but if one studies the voluminous federal budget papers released in Canberra on August 20, it is possible to detect its echo.

Concern over Australia's rising foreign debt was one of the factors that helped send the local dollar reeling earlier this year, an episode that has itself contributed to the sudden swelling of Australia's net debt to an estimated A$52bn (£26bn) at end-June 1985, against A$9.1bn four years ago.

Professor Fred Gruen, an advisor to the current Hawke Labor Govarnment as well as to the former Whitlam Labor Government that foundered in 1975, bas expressed concern et tha debt figure, and empbasised that because of the deterioration in Australia's terms of trade, the country must reduce money wage growth.

"Otherwise," said the professor, "the longer-term danger of continuing devaluation—and perhaps ultimately some IMF supervision of our affairs—is by no means unlikely."

His remarks have not rattled the Treasurer, Mr Paul Keating, who ebullience seems virtually unscathed, even by his recent signal failure to achieve major reform of Australia's decaying tax system.

THE Australian Government will start detailed negotiations with the Australian Council of Trade Unions at the wekend over the size of the unions' 3.8 per cent national wage claim, plus a 4 per cent productivity claim.

The Government insists that wage inflation must be curbed, and is pressing for a rednction in the six-monthly wage claim of 0.8 of a percentage point, because of this year's sharp depreciation of the Australian dollar, which could fuel inflation.

In a far more radical move, the Confederation of Australian Industry will apply next month to the Arbitration Commission for an end to Australia's current centralised wage-indexation system.

The tussle over wages is shaping as a crucial test of the Hawke Government's persuasiveness.

The rapid growth in Australia's indebtedness is related to a succession of large current account deficits, the most recent of which (for 1984-85) was A$10.2bn.

At present, Australia's total public dabt is A$28.1bn. This includes federal Government borrowing, as well as those of Government-owned or controlled enterprises sucb as the Australian Wheat Board, Qantas, and the various state authorities.

Private debt, incinding private non-monetary sector borrowings, amounts to A$42.3bo, for total gross debt of A$68.5bn. Subtract official reserve assets (A$13.5bo), and Australian lending overseas (A$2.9bn), and the net figure is A$52bn.

As a result, debt-servicing obligations (interest plus capital repayments) have risen from 8.3 per cent of exports in 1979-80 to 33.6 per ceot at June 1985.

According to the Government, the major factor leading initially to the jump in tha current sccount deficit and gross external debt was the surge in private investmeot lo energy and resource-related projects in tha early 1980s.

There had been earlier occasions when the 'Lucky Country' tapped foreign capital to finance big resource projects. But tha last time this happened (a decade or so earlier), the new facilities, and the exports they genrated, worked fairly qnickly to lower the current account deficit.

Servicing Payments on Australia's External Debt

	Interest payments (A$m)	Capital repayments (A$m)	Interest and capital (A$m)	Exports of goods and services (A$m)	Debt servicing ratios: Interest payments (per cent)	Debt servicing ratios: Interest and capital (per cent)
1979-80	1,046	739	1,785	21,586	4.8	8.3
1980-81	t,t31	1,759	2,890	22,003	5.1	13.1
1981-82	1,746	2,387	4,133	22,656	7.7	18.2
1982-83	2,7t5	3,888	6,403	24,470	11.1	27.0
1983-84	3,527	4,357	7,884	27,801	t2.7	28.4
1984-85	4,941	6,596	t1,537	34,32t	14.4	33.6

Source: Budget papers, August 1985

This has not happened receotly. In 1984-85, Australia's current account deficit widened to 4.9 per cent of gross domestic product.

A number of factors are cited. First, Australia's international competitiveness suffered, particularly from the wage surge of 1982. Secood, there was a greatly expanded public sector borrowing requirement.

Third, there was a sharp increase in import penetration both in 1983-84 and 1984-85. Fourth, while Australia's new resource-based exports bave been growing, they have beeo slower to make an impact than formerly expected.

Part of the explanation is that many anergy-related investments were based on assumptioos of a steadily increasing real oil price, which bave not been realised.

Tha big resource projects of the early 1980s also saw a major shift from equity to borrowings as tha mode of investment, which contributed to the rise in external debt and the higher debt-servicing ratio.

The Treasury says that provided the recent improvement in Australia's competitiveness is maintained, the country's external accounts "will move over time towards an historically more normal and sustainable pattern . . . Concerns about international indebtedness sbould recede as a consequence of a smaller current account deficit."

This is why Mr Bob Hawke's Governmeot is insisting that stable macroeconomic conditions — particularly wage restraint, low inflation, adequate profits, and enhanced competitiveness—are necessary conditions for turning Australia's "present expansion into durable prosperity."

It is e message it will preach most loudly in the next few weeks, as it negotiates with the unions their latest wage claims (including a productivity claim), plus the future of the Hawke pay accord: the bedrock of Labor's successful policy approacb to date.

If Mr Hawke can keep the lid on wages, the Government's political position will be greatly strengthened, and worry about Australia's debt will probably recede. If not, we may gain hear the cry: "She'll be right, mate, she'll be apples."

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3 Pitch corrector entertains girl—mole, perhaps (9)

Sir Alan Marre, 44 The Vale, London NW11.

Curacao seeks $47m to secure Shell plant

By Canute James in Kingston

THE GOVERNMENT of the Netherlands Antilles has started a search for $47m (£33.5m) to secure its takeover of a 320,000-barrel-a-day oil refinery on the island of Curacao which is being closed *by its owners, Royal Dutch* Shell.

Government spokesman in Willemstad, the capital, said there were plans for securing the funds from the Dutch Government, which had earlier promised financial support if the Netherlands Antilles could find ways of making the refinery profitable.

Royal Dutch Shell, which reported that the refinery lost about $50m in the *first* half of this year, has offered the refinery to the Government of the six-island federation for one guilder (about 25p).

But the company has valued oil stocks and machinery at *$47m, which it is asking* the Antillean Government to pay.

The Government representatives said if the Administration's purchase of the refinery was concluded, there were plans to lease the facility to *the state-owned Petroleos de* Venezuela.

Royal Dutch Shell's decision to close the refinery followed unsuccessful negotiations with neighbouring Venezuela to supply crude at low prices. The company said it could not continue operating the plant unless the concessions on crude prices were granted.

The company's announced closure of the plant, set for the end of September, threatened severe dislocation for the once buoyant Dutch Antillean economy, which has already been hit by the shutdown of an Exxon-owned refinery on Aruba.

The Dutch Government had said it would not provide funds to keep the refinery open, but promised to provide soft loans to a new company, established by the island's *administration, provided* it proved the plant could be economically viable.

The Dutch Antilles had until the end of this month to establish the feasibility of the 60-year-old refinery.

The likely closure of the refinery was suggested by Royal Dutch Shell late last year.

The federation has already been deprived of 25 per cent of its foreign exchange earnings, and Aruba of 70 per cent of its revenues, because of the shutdown of the Exxon facility.

Income for the two refineries and from oil *terminals* had given the Netherlands Antilles a per capita income of about $4,000—high compared to that of most of its Caribean neighbours.

Royal Dutch Shell's decision to close came despite the efforts of Mr Ruud Lubbers, the Dutch Prime Minister, to keep the *Plant* open.

Jimmy Burns reports from Buenos Aires on the mixed blessings of the Government's austerity measures

Argentines savour the experience of lower inflation

JUST A few weeks ago, it was usual to hear an Argentine argue that high inflation had pervaded the local economy for so long that it had become a way of life. Today, talk has shifted to the experience of living without it.

Thanks to the austerity package (price and wage freezes and currency reform) imposed on the country since June by the Government of President Raul Alfonsin, monthly inflation has been cut from 30 per cent to below 6 per cent. This figure would be *virtually zero*, government officials claim, if not for a seasonal shortage of beef, which temporarily pushed up the price of meat—Argentina's most popular food.

For local business, a generally more stable price structure has led to the beginning of change in some perceptions and procedures once regarded as impossible to modify.

Take the case of Sr Miguel Reed, president of Protex, a small but energetic local paint manufacturer. In May, he wrote an account of his company's fortunes for the business daily, Ambito Financiero, which sounded like the last days of the Weimar Republic.

He described how, two months earlier, Protex's suppliers of basic raw materials had increased their prices by 29 per cent, against a monthly inflation rate of *19.2* per cent. Sr Reed's company then increased the price of its products by 32 per cent. By the following month, the company computer suggested that the price of raw materials and products had been *mismatched, and so final prices* were jacked up by a further 40 per cent, only to be followed by an additional average increase of between 60-80 per cent in the cost of raw materials.

"I know of no fellow *businessman who gets up in the* morning with an enthusiastic thought for a new product or a new market. On the contrary, we get up submerged in anxiety because of the new tax we haven't paid, the sudden increase in costs we were unable to predict, the shortage of raw materials and the overdue payment bringing us one step closer to bankruptcy, he wrote.

Protex was employing 100 people and had a sales turnover *calculated* at about $3m. But Sr Reed calculated that "a $1m-a-year loss was due to inflation alone," and that the only way he had survived in recent months was by not paying taxes.

Since the austerity package was introduced, some companies which built up huge stocks to protect against inflation have found price controls more a curse than a blessing. As credit has also been squeezed, some have had to close their factories temporarily, and a few have gone permanently bankrupt despite the lower inflation.

Fears that the austerity package will mean fewer jobs in the short term will today bring out the country's main trade union federation on a 12-hour national stoppage.

Since President Raul Alfonsin's austerity package of price and wage freezes and currency reform was introduced in June, medium-term thinking has taken over from 24-hour survival techniques in a number of businesses. But not everyone is happy with lower inflation.

But Sr Reed has so far shared the fate of the majority of companies which have been weathering what is regarded as a temporary recession, already showing signs of bottoming out in major sectors of industry.

Last week, his computer had been put on temporary hold and he looked as if he had just finished a long summer holiday (in Argentina it is midwinter).

For the past month, the time spent on making sure that unpaid bills were collected and that money paid was invested (the former peso was losing its value at a rate of 1 per cent a day), has been put into planning how to refine and market a range of more than 200 household products.

Sr Reed, for the first time in years, has begun to think *seriously of improving quality* and advertising overseas to attract export opportunities. A company which was finding it difficult to make ends meet is beginning to build up a more solid capital base, although Sr Reed *admits* he has only just begun to pay some of his taxes.

Higher up the business scale, Sr Pablo Madanes, a managing director of Argentina's major tyre producer, FATE, is also a changed man. Sr Madanes calculates that about 25 per cent of his annual *turnover* of sales of $72m went towards speculative stock building as opposed to a realistic and stable market.

"Since the austerity package was introduced, we've lost about 25 per cent in sales, but rather than try to *recover* them we're sending our money managers abroad to look for new markets." FATE is also thinking of bidding for part of the state-controlled telephone company, which the Government is considering for *privatisation*.

If such medium-term thinking is taking over from 24-hour survival techniques across a broad range of business, but not everyone is happy with lower inflation.

Last Friday, three somewhat downcast individuals sat in an office overlooking the heart of the *capital's financial* centre, locally known as "el city."

The three are partners in one of the 200-odd black market foreign exchange dealerships in the city's 15 square blocks. Their despondency was that of a laid-off labour force. Their telephones were poignantly silent during most of what not so long ago was a peak dealing hour.

"I used to have people coming in on Friday desperate to sell or buy at all costs. Now if clients come in at all, they compare rates and maybe leave it for another day," said one of the three dealers.

The fact that the ruling Radical Government has held up from pursuing its Blitzuriea on the black market—dealers' alleged clients *include* such influential citizens as politicians and policemen—is one reason why old habits have taken longer to die. Another is that the financial system still has inbuilt suspicions that the austerity programme *could* eventually flounder, just as it did in Israel, because of the Government's inability to keep public spending in check in a crucial mid-term election year.

Nevertheless, the average spread of about 15 per cent between the black market rate and the official rate of the dollar is *much narrower than that* which existed in the times of virtual hyperinflation, when the small blackmarket exchange dealers were handling anything from $100 to $15,000 with each telephone call.

As the dealer reluctantly put it: "The dollar in Argentina is losing some of its mystique."

Nuclear reactor plan sparks protest

By Terry Dodsworth in New York

U.S. anti-nuclear activists staged a demonstration yesterday *near* the *Three Mile Island* power station in an attempt to rally public support against a reopening of the site, where the world's worst commercial accident occurred six years ago.

The demonstration followed a *court decision in Philadelphia* which cleared the way for the re-opening of an undamaged reactor at the plant. Although this reactor had operated safely for several years before the accident at a newly-opened unit, it was closed down during the elaborate inquiry into the incident and its re-commissioning has been fervently opposed by anti-nuclear groups.

GPU Nuclear Corporation, the operator of the Three Mile *Island* site, said yesterday that it was planning to lay out a schedule for the reopening of the reactor, although it gave no indication of its proposed timing for bringing *the* reactor back into energy production.

The new *flurry* of controversy over the Three Mile Island site follows a decision of the U.S. Nuclear Regulatory Commission earlier this year which gave the go ahead to the start-up. It said that GPU, which had undergone an extensive management re-organisation, was fit to operate the undamaged reactor.

This judgment, however, was opposed by an anti-nuclear group who regard Three Mile Island as a powerful symbol in their fight against nuclear power. These groups took the issue back to court with the backing of the local authority in Harrisburg, Pennsylvania, close to the Three Mile Island site.

U.S. sanctions urged against money laundering

THE U.S. should impose strong sanctions against countries that serve as money laundering centres for drug dealers and other criminals, a Congressional report recommended, Reuter *reports from Washington*.

The report from the Senate permanent subcommittee on investigations listed 16 countries, most of them in the Caribbean area, with banks that attract money from criminals because of their tax and bank secrecy laws.

"By providing anonymity for foreign money, and by refusing to co-operate with U.S. law enforcement, tax havens are being exploited by criminals."

It estimated that foreign bank secrecy laws enable tax evaders and other criminals to hide an estimated $20bn (£14bn) a year from the U.S. Government.

Sanctions recommended by the report included requiring U.S. banks to report all financial transactions involving tax havens and making loans from tax havens reportable as taxable income *in* the U.S.

Caribbean Basin countries listed as tax havens were Anguilla, Antigua, the Bahamas, Barbados, Bermuda, the Cayman Islands, Montserrat, the Netherlands Antilles, Panama, St Vincent and the Grenadines and Turks and Caicos Islands.

Other countries named as tax havens were Hong Kong, Liechtenstein, Luxembourg, Singapore and Switzerland.

Panama's military puts pressure on President

PANAMA's powerful armed forces have served notice to President Nicolas Ardito Barletta that he must act decisively to resolve a deepening economic crisis if his year-old Government is to survive, diplomatic and political sources say, Reuter reports from Panama City.

The former World Bank vice president has faced widespread opposition in his attempts to implement economic austerity measures aimed at meeting payments on the country's $3.6bn (£2.5bn) foreign debt.

Government and opposition leaders and diplomats agree that continuing protests against his *policy threaten to spark* generalised violence and a return to military rule.

The *situation in Panama* was "totally worrying, totally irresponsible, totally anarchic and totally out of control," defence forces commander General Manuel Antonio Noriega told reporters here this month.

Gen Noriega, Panama's most influential public figure, was a protege of General Omar Torrijos who seized power in 1968 and shaped a central role for the military in politics during his 12-year rule, which ended with elections in May 1984.

NYC mayoral elections reach crucial stage

BY OUR NEW YORK STAFF

THE RACE to elect a new mayor of New York is moving into a crucial stage this week as the candidates for the Democratic nomination step up their spending and trade insults before the vote in the primary elections early next month.

Mayor Ed Koch, the sharp-looks at the moment to be romping away with the campaign, well clear of his opponents in the opinion polls

He has been by far the biggest spender in the campaign up to now, and is said to have gathered together an election war chest worth around $6m (£4.28m). His main rival, City Council President Miss Carol Bellamy, has raised only around $650,000, and the black candidate, Mr Herman Farrell, much less.

Although the winning of the Democratic nomination is only the first step in the mayoral election process, it is regarded as crucial, since the Republicans *in New York* are so weak that they are unlikely to be able to put up a credible alternative candidate—indeed, Mayor Koch won the nomination of both parties last time round.

As the incumbent, fighting to run the U.S.'s largest municipal government for the third four-year spell, Mayor Koch has concentrated on *his* record

NOTICE OF REDEMPTION

THE STANDARD OIL COMPANY (OHIO) INTERNATIONAL N.V.

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NOTICE IS HEREBY GIVEN that, pursuant to Article Three of the Indenture dated as of June 15, 1979, as supplemented, (the "Indenture") among The Standard Oil Company (Ohio) International N.V., *formerly Kennecott International N.V. (the "Company")*, Kennecott Corporation, formerly Kennecott Copper Corporation, as Guarantor, The Standard Oil Company, an Ohio corporation, and Morgan Guaranty Trust Company of New York, as Trustee, under which the Company issued its 9½% Guaranteed Notes Due 1986 (the "Notes"), and the tenth paragraph of the Notes, the Company has elected to and shall redeem on September 12, 1985 (the "Redemption Date") all of the outstanding Notes at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), plus accrued interest from June 15, 1985 *to the Redemption* Date in the amount of $22.96 for each $1,000 principal amount of Notes.

The Notes shall become due and payable on the Redemption Date at the Redemption Price plus accrued interest which shall be paid upon presentation and surrender of the Notes together with all coupons thereto appertaining maturing after the Redemption Date at the paying agents listed below.

The Notes will no longer be outstanding after the Redemption Date and interest on the Notes will cease to accrue from and after the Redemption Date and the coupons for such interest *shall* be void.

Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made at the office of the paying agent within the United States or by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the *paying agent with an executed* IRS Form W-8, *certifying under* penalties of perjury that the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of $50. Please therefore provide the appropriate certification when presenting your securities for payment.

PAYING AGENTS

Morgan Guaranty Trust Company
of New York
Corporate Trust Office
30 West Broadway
New York, New York 10015

Morgan Guaranty Trust Company
of New York
P.O. Box 161
Morgan House
1 Angel Court
London EC2R 7AE
England

Morgan Guaranty Trust Company
of New York
Avenue des Arts 35
B-1040 Brussels
Belgium

Amsterdam-Rotterdam Bank N.V.
Postbus 283
Amsterdam, The Netherlands

Banque Generale du Luxembourg S.A.
27 Avenue Monterey
Boite Postale 1906
Luxembourg

Banque Nationale de Paris S.A.
75450 Paris Cedex 09
France

Credit Suisse
Paradeplatz
Zurich, Switzerland

Deutsche Bank Aktiengesellschaft
Junghofstrasse 5-11
Frankfurt/Main, West Germany

Swiss Bank Corporation
Aeschenvorstadt No. 1
CH-4002
Basle, Switzerland

Union Bank of Switzerland
Bahnhofstrasse 45
Zurich, Switzerland

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August 13, 1985

'Flick affair' trial will embarrass Bonn coalition

BY PETER BRUCE IN BONN

WHAT PROMISES to be one of the most spectacular trials in West Germany's history gets under way in the Bonn district court today when two former Economics Ministers and a former president of the country's leading industrial federation climb into the dock to face charges ranging from corruption to tax evasion – the result of an 18-month investigation into what has come to be known as the "Flick affair."

Count Otto Lambsdorff, 58, Economics Minister from October 1977 to June last year and Herr Hans Friedrichs, 53, who held the same post from 1972 until 1977, are accused of corruption and of being accessories to tax evasion.

Herr Eberhard von Brauchitsch, 58, a former senior manager in the Flick industrial group and, until February 1982, president of the German industry Federation, is being charged with bribery and tax evasion.

The trial, expected to last more than a year, is likely to prove a severe embarrassment to the Free Democratic Party, (FDP) a junior partner in the Bonn coalition and could ultimately threaten the fortunes of the Government come the next general election early in 1987.

Count Lambsdorff and Herr Friedrichs were both FDP ministers. Herr Friedrichs retired from politics in 1977 to become head of the Dresdner Bank, second largest bank in West Germany.

Herr von Brauchitsch is alleged to bave paid DM 375,000 ($134,000) to Herr Friedrichs and DM 135,000 to Count Lambsdorff in return for their signing tax waivers amounting to DM 800m on the DM 1.9bo profit the Flick concern made in 1975 when it sold its 29 per cent holding in Daimler-Benz to the Deutsche Bank. The payments were, according to the charges, then funnelled into FDP coffers.

In all, Herr von Brauchitsch is alleged to have deprived the public purse of more than DM 20m through payments to private individuals and to political parties in an effort to win political favours for the Flick empire, the biggest private industrial concern in the country.

The two former ministers are also accused of failing to declare more than DM 1.5m in tax to the authorities as former treasurers to the FDP in the state of North Rhine-Westpbalia.

Money is alleged to have been paid to the party through overseas tax havens. The Bonn prosecutors, who are ultimately controlled by the North Rhine-Westphalia Justice Ministry, have apparently also oamed 11 other German companies in connectioo with the tax evasion "accessory" charges against the two men.

The Flick affair seriously damaged public confidence in the political system in West Germany. Most parties have been implicated in donation accusations in the past 18 months and rules introduced last year to govern the size of donations and their disclosure have failed to halt the flow of accusations between political parties.

In the past few mooths, the West German pharmaceutical and insurance industries have both been implicated in minor scandals over large political donations.

For his part, Count Lambsdorff, probably the most significant, politically at least, of the accused, has consistently denied taking money from Flick and to demonstrate his faith in an eventual collapse of the charges against him, has begun to lobby for a return to high office within the FDP.

He has accused the North Rhine-Westphalia Justice Ministry of deliberately trying to destroy him for political reasons.

The state is governed by the Social Democrats (SPD), who are in opposition in Bonn and who accuse Count Lambsdorff of playing a major role in the FDP's decision three years ago to topple the Government of SPD leader Chancellor Helmut Schmidt by leaving his coalition and joining the current Government under Chancellor Helmut Kohl.

Kohl sacks intelligence chief in spy row

BY PETER BRUCE IN BONN

WEST GERMANY'S intelligence chief was sacked by Chancellor Helmut Kohl yesterday as reports of a new top-level spy scare surfaced in Bonn and suspected East German agents were arrested in Switzerland and appeared in court in Britain.

Herr Heribert Hellenbroich, recently appointed chairman of the Federal Intelligence Service (BND), has been dismissed for failing to inform the Interior Minister of serious doubts about Herr Hans Joachim Tiedge, the country'a top spycatcher. Herr Tiedge defected to East Berlin last week.

Apart from his defection, the widening West German spy scandal has involved the exposure of four suspected Communists agents in Bonn. And yesterday, the West German News Agency reported that a long-standing friend of a senior official in counter-intelligence had fled the country after trying to persuade him to work for East Germany.

Swiss police yesterday said they had arrested a couple living in Lucerne on suspicion of spying for East Germany. The Swiss are understood to have been tipped off by West German counter-intelligence who monitored the couple meeting Frau Margarete Hoeke earlier this month. Frau Hoeke, a senior secretary in the office of the West German President, was arrested on Sunday as an East German spy.

Meanwhile in London, an East German couple appeared in court on spying charges.

Herr Kohl spent much of yesterday with Herr Friedrich Zimmermann, the Interior Minister, and security officials in an attempt to determine how much damage Herr Tiedge's defection has done to security.

The Minister submitted a report which is believed to lay full blame on Herr Hellenbroich, and which calls the damage very serious but "containable." It is also said to claim that the counter-intelligence service will recover quickly.

The Chancellor then summoned Herr Hellenbroich and dismissed him. Formal announcement was delayed until today as it requires the approval of the President.

The announcement is also expected today of his successor, Herr Hans-Georg Wieck, who is Bonn's ambassador to Nato in Brussels. He has served as a diplomat in the United Nations and Washington, and as ambassador to Iran and the Soviet Union.

It was still unclear yesterday whether the team investigating Herr Tiedge's defection had been able to discover whether he had been a long-term East German agent or whether he fled because of more recent reasons, such as his heavy drinking and serious debts. The question is crucial as West German counter-intelligence has suspected the presence of a high-level "mole" for some time.

Herr Hans Wieck: new leader for secret service

Danish bank chief warns on economy

By Hilary Barnes in Copenhagen

DENMARK'S DEFICIT on the current account of the balance of payments is likely to increase to DKr 20bn-DKr 22bn (£1.4bn-£1.6bn), according to Mr Erik Hoffmeyer, the governor of the central bank—a situation he regards as "extremely serious."

The non-Socialist coalition Government has predicted a deficit of about DKr 17bn (£1.2bn) in line with last year's DKr 16.8bn. "It is evident that the Government's own estimate cannot hold," said Mr Hoffmeyer. He said that export figures so far this year have been disappointing, while imports have continued to rise extremely fast.

In his view, private consumption is at much too high a level.

Denmark's first half current account deficit was a record DKr 12.7bn, and in July the preliminary trade figures showed a deficit of DKr 1.4bn. This took the deficit for the first seven months to DrKr 7.4bn, compared with DKr 4.5bn in the same period last year.

Mr Poul Schlueter, the Prime Minister, said after a Cabinet meeting earlier this week that the Government would take steps to curb the deficit if it shows no sign of narrowing in the next few months.

David Housego tracks the dangerous political squalls Fabius must negotiate

Greenpeace shock waves rock the French

IT HAS been a dreadful summer politically for the French Socialist party.

M Laurent Fabius, the Prime Minister, had hoped to project an imaga of quiet and efficient government in advance of the March parliamentary elections.

Instead, a succession of dangarous squalls, of which tha Greenpeace affair is the latest, have broken over tha administration in a way that is bound to diminish its credibility with voters.

There was an untimely row at the beginning of the summer between M Fabius himself and M Lionel Jospin, tha First Secretary of the Socialist Party, over the running of the election campaign. There has been a running, much publicised, conflict between the constituency associations and the central office over the choice of candidates.

The Prima Minister clashed with his predecessor M Pierre Mauroy over steel redundancies in the north. At the weekend M Michel Rocard, among the most popular of the Socialists, broka ranks with tha rest of tha leadership over the drawing up of a potential election manifesto.

The Greenpeace affair is at one and the same time the most gripping, bizarre and serious of these incidents. It is serious because in many voters' eyes France has been brought into ridicule abroad and the international publicity given the event is damaging to France's nuclear testing programme in the South Pacific. To the Gaullist streak in the French, both are unpardonable sins.

The irony of the affair is that a great many Frenchmen see no wrong in what the French secret service might or might not have done. The sinking of an ecologists' boat in New Zealand waters and the unfortunate loss of life of a photographer on board do not lie heavy on the conscience of many. The average Frenchman takes it as "normal" that casualties occur in the operations of the foreign intelligence service (DASE) to protect tha national interest.

> It is serious because, in many voters' eyes, France has been brought into ridicule abroad and the international publicity given the event is damaging to France's nuclear testing programme in the South Pacific.

It is partly this attitude which explains the continuing lack of comment on the issue by the main opposition leaders. The only comment that former President Valery Giscard d'Estaing has offered is "my country right or wrong."

While M Giscard was in office, his close associates now say, there were regular Monday meetings that broought together the DASE, tha Elysee, the Prime Minister'e office and the Ministries of Defence and Interior to scrutinise sensitive operation.

Those Frenchmen who do not want the secret service to be party to the scuttling of an ecologists' boat and the death of one of its crew are largely to be found on the left—among the Socialists themselves, tha ecologists and the Communists.

M Max Gallo, the former government spokesman, spelt out the difference yesterday in an editorial in Le Matin when he said that there was a difference between those who respected the common law and those who believed that *raison d'etat* had supremacy over it. The French Communist Party has been making the same point in condemning what it calls "terrorism by the state."

President Francois Mitterrand, like his Prime Minister, has elements of both doctrines in his make-up. He is hard-headed enough to know that the secret service does not always act with kid gloves. On the other hand, be is the appointed conscience of the Left and has suffered personally in the past from harassment by the French intelligence service.

It was in wearing this second hat, and faced with growing allegations that tha DGSE had a hand in the bungled operation of sinking the Rainbow Warrior, that M Mitterand seven weeks ago set in motion the operation that produced this week's Tricot report. The attraction of M Bernard Tricot to produce it was that, as a former Secretary General of the Elysee under the late President de Gaulle, he was a man of "uncontested" integrity and acceptable to the armed forces and tha opposition. He was also a man aware of the pressures of *raison d'etat*. Thus he was unlikely to find too many skeletons in the cupboard.

As it has now emerged M Tricot did his job too well. In absolving tha Government, the DGSE and its agents of responsibility his report failed to carry credibility. After he had begun his investigations, a mass of material surfaced in the French Press and in New Zealand which pointed to a French involvement, and which be did not provide evidence to dispel.

Above all, the report failed to carry conviction in the French Socialist Party which has called for further inquiries.

M Fabius now finds himself on a razor's edge. If be pushes too far with dismissals at the DGSE, he will heve the opposition at his throat. The silence of its leaders at tha moment suggest a commitment to defend tha foreign intelligence service against being made the "scapegoat" for actions for which the opposition judges thatt he Socialists should carry responsibility. Wth the expectation that they will be taking power themselves in March, they have no intention of letting the Government carry out a further purge of the DGSE.

But if there is minimal action as a result of the inquiries into "deficiencies" at the DGSE, M Fabius will lose credibility within his own party and from Socialist supporters for, in effect, condoning a criminal act.

He also faces the risk that New Zealand authorities might might produce further evidence that would firmly implicate the French foreign intelligence service in the sinking of the ship. In that case, the Government would find itself in deep political water again, either accused of authorising the operation or of covering it up.

M Fabius's best hope now *is* that the New Zealand authorities do not have fresh evidence which could implicate the Frech. The atatement yesterday by Mr David Lange, the New Zealand Prime Minister, that he was "satisfied" with M Fabius's declaration suggests there is an olive branch in the air.

Union pay bid challenges Madrid's austerity policy

BY DAVID WHITE IN MADRID

BATTLE-LINES are being drawn for Spain's next annual wage rounds, which will test the Government's determination to press ahead with austerity policies in the run-up to the general election next year.

As the cabinet began discussion yesterday of next year's budget, including a wage target for the public sector, the powerful Communist-led labour federation Comisiones Obreras (Workers' Commissions) made an initial claim almost twice as high as the level foreseen by the Government.

Sr Marcelino Camacho, tha union's leader, said wages next year would have to rise at least 11 per cent to maintain purchasing power. He said this was on the basis of a cost-of-living increase of at least 8 per cent this year and the expected inflationary impact of value added tax, which Spain is to introduce when it becomes a member of the EEC in January. He put thia extra inflation rate effect at 3 per cent.

The union's stance threatens to put additional strain on the two-year economic and social pact which the Government signed last autumn with employers and with the other main labour organisation, the Socialist Union General de Trabajadores.

This pact geared 1986 wage rises to the expected rate of inflation, which at the time was seen falling to 6 per cent. Increases next year would be contained in a range of 90-107 per cent of the official target, with a catch-up payment in the first quarter of the following year if prices proved to have exceeded the forecast.

The divergence comes as Sr Carlos Solchaga, the new Minister of Economy and Finance, is seeking to limit government spending and contain public sector wage costs.

Bofors stands to lose SKr 300m over weapon

By David Brown in Stockholm

BOFORS, the Swedish armaments manufacturer, says the decision by the Pentagon to cancel the controversial $4.5bn "Sergeant York" anti-aircraft weapon will seriously disrupt its production and cost the company nearly SKr 300m ($36.1m) in turnover through 1988.

Bofors, which is a sub-contractor to Ford Aerospace, has delivered about 146 of the originally-planned 618 twin 40mm guns under the first two of six options and was in the middle of producing systems for the third option which involves 100 units.

It is to be compensated for these production costs by the Ford Motor Company's subsidiary under the terms of the original contract, a spokesman said.

U.S. rejects early N-test ban

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN GENEVA

THE U.S. yesterday poured cold water on the proposal for an early negotiation of a comprehensive nuclear test ban treaty (CTBT), supported both by the Soviet Union and the neutral and non-aligned nations at a conference reviewing the 1970 nuclear non-proliferation treaty (NPT) here.

In his opening statement to the third review conference, due to last for about a month, Mr Kenneth Adelman, Director of the U.S. Arms Control and Disarmament Agency, said his government remained committed to a complete ban on nuclear testing as a long-term goal. But it did not agree that it should be "the next step in our efforts to reduce the nuclear threat."

Mr Adelman's declaration was prefaced by a special message from President Ronald Reagan, which said that a radical reduction in the number of existing nuclear weapons, as proposed by Washington in the Geneva arms control talks with the Soviet Union, was the most direct and best course to pursue to avoid nuclear war. Verifiable limitations on nuclear testing could play "a useful, though more modest role" in this process.

Though the U.S. position is expected to be backed by Mr Richard Luce, the British Minister of State for Foreign Affairs, when he addresses the conference today, the two Western nuclear powers are likely to find themselves in a very small minority on this subject.

Mr A. M. Petrosyants, bead of the Soviet delegation, yesterday repeated his Government's well-publicised position that it considered the cessation and prohibition of nuclear tests as one of the "top priority" measures in the disarmament field. Such a step would make an essential contribution to preventing the further modernisation of nuclear weapons and the development of new types of nuclear weapons.

The most effective support for this view came, not from another East European country, but from Mr Bill Hayden, the Australian Foreign Minister.

After pointing out that the three nuclear signatories of the NPT had failed to carry out their undertaking in the treaty to dismantle their nuclear arsenals, Mr Hayden said that his Government considers a comprehensiva test ban treaty was urgently required

Bonn pressed by banks to bring forward tax cuts

BY JONATHAN CARR IN FRANKFURT

THE West German Government is coming under growing pressure from the banks to help stimulate economic recovery by bringing forward by one year about DM 9bn (£2.3bn) worth of tax cuts planned for 1988.

The Federal Association of German Banks (BDB) said yesterday that Bonn could take the action without raising its borrowing, if it also moved more firmly to cut state subsidies.

The statement reflects concern shared even by some within Chancellor Helmut Kohl's centre-right coalition—that the current export boom may run out of steam without a sufficient rise in domestic demand to compensate.

Herr Gerhard Stoltenberg, tha Finance Minister, has promised a total of about DM 20bn worth of cuts in income and wage taxes. Bnt to avoid upsetting his budget consolidation plans, he has insisted that the cuts come in two stages—around DM 11bn next year and another DM 9bn in 1988.

It is the latter sum which the banks want to see brought forward to 1987

Despite these concerns, fresh evidence emerged yesterday that domestic demand is improving a bit

The mechanical engineering sector reported orders in July up in real terms by 19 per cent, thanks to a boost in home ordars (np by 24 per cent) which for the first time for months exceeded the rise in foreign demand (up by 14 per cent).

8 Pitch corrector entertains girl—mole, perhaps (9)

Sir Alan Marre, 44 The Vale, London NW11.

4.20 Pretenders. 5.00 Bullseye. 5.20 The Baron. 8.20 News. 6.40 Appeal. 6.45 Mary O'Hara and Friends. 7.15 | Diary. 1.30 pm A Question of Faith. 1.30 Farming Outlook. 2.20 Film: "Botany Bay," starring James Mason | Farming Outlook. 1.30 Pretenders. 2.30 Scotsport. 5.00 Wild Heritage. 5.30 Chips. 11.45 Reflections. 11.50 Golf | Sky." 5.00 Dreams. 5.30 Hart to Hart. 11.45 That's Hollywood. 12.15 am Company. | Jazz ... 1.00 am Jean Challis (S). 3.00-4.00 Gloria Hunniford Presents Two's Best (S). | Territory. ... 12.00-12.15 am News; Weather; Shipping Forecast.

Reagan refuses to allow protection for shoe manufacturers

BY STEWART FLEMING IN WASHINGTON

PRESIDENT Ronald Reagan yesterday denied American shoe manufacturers the protection against foreign imports which they have been seeking for over e year and which the U.S. Government'a International Trade Commission had recommended in June that they should be given.

President Reagan said: "Protectionism . . . is a crippling 'cure' far more dangerous than any economic illness." But he made it clear that the U.S. intends to be much more aggressive in defending its trading interests in the future.

The President's decision had been widely expected and already on Capitol Hill this week there have been warnings that by not responding more positively to the plight of the shoe industry the President is only fanning the protectionist flames which are already burning.

More than 200 individual legislative proposals to grant protection from imports are before Congress, and it is widely expected that when Congress reconvenes next week some of this legislation will begin moving. While most of the bills will fail to rally widespread support, trade experts on Capitol Hill are predicting that some proposals appear to be gathering enough support to pass and that Congressmen will try to attach their plans to the front-runners.

Shoe industry representatives have already warned that they will take their case to Congress and try to persuade it to override the President.

The White House, in making its decision on shoes and at the same time indicating that it is planning to take a tougher line on onforcement of U.S. trade laws, is trying to find a middle road which will enable it to stick to its free trade ideology and at the same time blunt the protectionist pressures on Capitol Hill.

Footwear imports rose by 25 per cent last year, achieving a market penetration of 71 per cent. Some 95 factories were forced to close in the U.S. in 1984 and the industry's unemployment rate rose to 16.7 per cent.

Groups bid for Indian gas pipeline contract

BY JOHN ELLIOTT IN NEW DELHI

FOUR international consortia have submitted bids for a contract worth \$700m to \$900m (£643m) to construct India's 1,700 km natural gas pipeline from Hazira near Bombay to Jagadisphnr in the north of the country.

On the basis of a preliminary study of financial peckages offered this week, hids from a Canedian-French consortium and from Italian companies seem tho best placed to win the work, although a French-Japanese consortium may provide a strong challengo when aid proposals heve been finalised.

Yesterday in New Delhi tho Gas Authority of Indie opened ihe sections of the bids covering the financial peckages and technical proposals. It left the price offers in sealed envelopes where they will remain for np lo two months during technical cvaluations.

The amount of concessionary finance offered will be an important factor in choosing the winner, and tho hids all provide for 85 to 100 per cent of foreign oxchange costs to be covored by aid packages.

Canadian mixed credit of np to \$295m plus further mixed credit from France have been offored by the two countries' governments to cover all the foreign exchange costs of a consortium led by Nova Corporation International Consultants of Canada.

Also in the consortium is Majestic contractors of Canada and Entreose of France. Biria Engineering of India is a major subcontractor to this consortium.

France has also offered similar finance to go alongside a Japanese credit package that might only cover 85 per cent of foreign exchange costs of a consortium headed by Spie-Cabag of France and including NKK and Toyo Engineering of Japan.

Chinese trade deficit widens

By Robert Thomson in Peking

CHINA SEEMS set to record one of its largest ever trade deficits this year, figures released yesterday show.

In the first seven months of 1985, China accumulated a deficit of \$7.89bn (£5.6bn), according to Chinese Customs statistics. The figures indicate that Government measures to stem the flow of imports have been slow to take effect.

In the first seven months imports totalled \$21.93bn, while exports were worth \$14.04bn.

Japanese goods continued to flood into China, with imports in July up 87 per cent on July of last year. In the first half, China had a trade deficit with Japan of more than \$2bn. Customs figures show that exports to Japan and the U.S. have continued to fall.

Japanese manufacturers have reported a sharp downturn in orders from China, however, and diplomats here expect the bilateral deficit growth to slow in the remainder of the year.

Leading imports were electronic goods, automobiles, refined sugar, rolled steel, wool and iron ore, while increases in exports were reported in love poultry, grain, silk and crude oil. There was a fall in exports of rabbit hair, tungsten sand, carpets and bicycles.

China has attempted to slow imports by imposing strict controls on Government purchases of foreign goods, requiring all purchases of foreign technology to be approved by central authorities. It also increased import duties on some items by np to 80 per cent in an attempt to price foreign goods out of the market.

Since last year, Chinese consumers and provincial administrators have been on a spending spree of foreign goods leading to a sharp decline in foreign exchange reserves.

Reserves fell from \$16.3bn at the beginning of last October, to \$11.3bn at the end of March. Estimates for end of June go as low as \$7.5bn.

Meanwhile, Mr Deng Xiaoping, the Chinese leader, said yesterday that history had showed a "closed-door policy leads only to backwardness."

Bernard Simon examines the decline in the clothing and textile industries

Canada tries to weave a trade solution

Garment and textile manufacturers in Canada ought to be enjoying a healthy revival from the 1981-83 rccession, but instead they are in serious decline. Although consumer demand for these products has increased, the pressure from imports shows no signs of easing.

CANADA is wrestling with e way of nursing its hard-pressed clothing and textile manufacturers back to bealth without upsetting international trading partnors or reinforcing the inefficiencies that have led to the industries' present malaise.

Apparel and textile makers in Canada ought to be enjoying a bealthy revival from the 1981-83 recession in line with the rest of tho economy: but they are not. Bilateral restraint agreements have proved ineffective in curbing imports and unrestrained imports have grown from 5 per cent to 16 per cent of total imports in the past five years.

Consumer demand for clothing has picked np in the past two years, with the market expanding by 12.2 per cent to 558m units in 1984. The quality of Canadian-made fabrics and garments is generally good, and tho local industry is already protected by tariffs of np to 25 per cent and by 21 "restraint agreements" with Third World suppliers.

Instead of thriving, however, the domestic industries are in serious decline. The country's largest textilo maker, Dominion Textile, suffered a C\$14.4m (£7.6m) loss in tbe year to June 30 and is expecting no improvement for tho next few months.

The company last week announced the closure of a yarn factory and a fabric plant in Quebec following tho shutdown of another facility late last year.

Mr Poter Clark, a consultant to the Canadian Apparel Manufacturers Institute, estimates that the clothing and textile industries have lost about 16,000 jobs in Canada over tha past four years as a result of import competition. Despite tho overall ecooomic upturn, the volume of toxtilo shipments from local factories was 10 per cent lower in the first five months of this year than in January-May 1981.

Pressure from imports, mainly from Southeast Asia, China, Brazil and southern Europe, shows no sign of letting up. Foreign-made garments now make up about 45 per cent of domestic purchases, compared with 31 por cent in 1981. Tho share of imported yarns has risen from 25 per cent to almost 40 per cent, end of fabrics from 49 per cent to almost 60 per cent.

Some domestic producers have responded with a stratogy of "joining 'em if you can't beat'em." While Dominion Textilo cuts domestic capacity, it has expanded its presence in Hong Kong and China.

Several clothing manufacturers have also become sizeable importors, to the point where Mr Clark estimates that local apparel makers now account for 30 per cent of garment imports. In tandem with calls for higher protective barriers, some clothing companies want to increase imports (especially of shirts) and propose that a company's duty-free import allocation be linked to its domestic output.

Thare is little evidence that the bilateral restraint agreements have been violated, but importers and their suppliers bave found many loopholes. Only the agreemonts with South Korea and Taiwan cover all garments, and even these give a wide dogree of latitude by setting ceilings only for broad categories, rather than specific products.

Tho agreement with China restrained shipments of ladies co-ordinates but not dresses or track suits.

After repeated calls for urgent action against cheap imports earlier this year, tbe Textilo and Clothing Board, a government agoncy, recently proposed as an interim measuro that the Government impose a global quota on all types of clothing, limiting imports to their 1984 levels until tho ond of 1987. Such ection would imply tho unilateral abrogation of tho 21 hileteral restraint agreemonts.

The chance of this recommendation being acceptod seems slim, mainly because of Ottawa's fear of antagonising its trading partners. The EEC in the past has demaaded and received componsation for quotas imposed by Canada under article XIX of tho General Agroemont on Tariffs and Trado (GATT)

In any caso, the hoard's proposal has few supporters in the industries it is meant to holp. According to Mr Clark: "It freezes the situation at the worst possible point".

The textilo industry is calling for a rollback of imports rather than merely a freeze. Garment makers would prefer a plan allowing them the best of both worlds.

Ono idea is that manufacturers should be allowed to export cut pieces to countries with low labour costs, where finished garments would be assembled and then sent back to Canada. Tho Canadian company would pay duty only on the value added to the item abroad.

Another suggestion, strongly opposed by the textile industry, is that duties be cut on yarns and fibres not available in sufficient quality or variety in Canada.

The board expects to present its final report to the Government before the end of October. But Ottawa will have to take a decision on the proposal for global quotas within the next few weeks.

Unless Canada notifies other signatories of the 21 bilateral restraint agreements before the end of September that it plans to terminate the arrangements, the restraints will automatically remain in forco for another year, to the end of 1986.

French group in telecom link-up with Bosch

BY DAVID HOUSEGO IN PARIS

THE FRENCH engineering and electronics group, Jeumont-Schneidor, and Telenorma, the telecommunications subsidiary of Bosch of West Germany, have agreed to industrial and marketing tie-ups that mark an important step in bringing the telecommunications industries of tho two countries together.

Under the agreement, Jeumont will market its private telephone switching equipment in West Germany through Telenorma and will also obtain access to the Austrian market. Joumont will likewise sell Telenorma manufactured telephones in France.

Until now the telephone markets of the two countries have been closed to each other because of disputes over standards and because of the protectionism of the French PTT and the West German Bundespost.

The new agreement also provides for the two companies to co-operato on export ordors and in research to develop broadband switching equipmont combining the transmission of voice, data and images.

The two companies are of similar strength with Telenorma holding some 40 per cent of the private telephone market in West Germany and Jeumont 37 per cent in France. Telenorma has sales of DM 1.9bn (£492m) while the telecommunications division of Jeumont has a turnover of about FFr 1.4bn (£119m) — equivalent to a fifth of Jeumont'a total sales. Telenorma expects sales to rise this year by about 8 per cent to around DM 2hn.

Joumont, as part of its group strategy, is seeking furthor international alliances. It recently reached an agreement with Bull to make its telecommunications equipment compatible with the main computer manufacturers.

U.S. sales drive for Hyundai

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT IN DETROIT

HYUNDAI, South Korea's largest antomotive company, plans to sell more than 100,000 cars in the U.S. in 1986, its first year of sales there. If it meets its target this would tako it to seventh place among exporters to the U.S.

Mr Chung se Yung, president of Hyundai yesterday insisted that Korea has no intention of hecoming "a second Japan" in its trade with the U.S.

"We recognise that reciprocity and a balance in trade is necessary between nations," he said.

There is concern in Detroit ebout the so-called South Korean car threat. Kia, also of South Korea, has linked with Ford and will import about 50,000 of Kia's mini cars a year starting in 1987. General Motors will use its associate Daewoo to supply at least an annual 70,000 cars to be sold by Pontiac dealers the same year.

Hyundai pnt its cars on the Canadian market 18 months ago and they have been a runaway success, making the company the leading importer in recont months.

Tho U.S. launch is timed to follow closely tho oponing of e now factory hy Hyundai earlier this year at Ulsan in South Korea which has douhled its annual capacity to above 300,000 and produces a new front-wbeel drive mini car called the Excel. This is powered by a Mitsuhishi engine and transmission. The Japanese group provides technology to Hyundal and has a 7.5 per cent shareholding

Mr Chung said at the Automotive News World congress he expected the Excel to be in the \$5,000 (£3,571) price range and among the cheapest cars on offer in tho U.S.

Hyundai has signed 113 dealers in the U.S. and will take the total to 200 hy the end of next year.

UK NEWS

Sony launches 8mm video challenge

By Jason Crisp

VIDEO WARS part two broke out in Europe yesterday. Sony, the Japanese electronics group, launched the small 8mm video format in London and Berlin as a challenge to the conventional video recorder.

The smaller tape was developed principally for video camera/recorders to compete with home movie products using film. Unlike conventional VCRs the 8mm video format is backed by 127 of the world's consumer electronics and photographic companies.

Sony is the first company to launch 8mm video as a serious challenge to conventional VCRs using ½ inch tape (twice as wide). The move follows the substantial decline of Sony's Beta format in conventional VCRs which is now a very poor second to VHS.

Most other companies selling VCRs using Beta have now stopped producing them and the format is thought to account for around 15 per cent of world sales. The third format V2000, developed by Philips, has almost disappeared.

Sony launched its 8mm camera/recorder in Japan at the beginning of the year and in Europe in March. The new range of 8mm decks launched yesterday were unveiled in Japan and the U.S. a few weeks ago. The company hopes to sell to those homes (62 per cent in the UK) which still do not have a VCR.

Sony faces considerable difficulties in persuading people to buy 8mm VCRs because of the enormous availability of pre-recorded programmes on VHS and to a lesser extent Beta. Yesterday the company announced that some music titles will be available on 8mm and it launched a mail order film club with a small selection of recent releases.

Singer disposes of sales operation for sewing machines

BY MARTIN DICKSON

A CURIOUSLY muted announcement last week by Singer, the U.S. multinational, heralded an unusual marketing deal and a landmark in the commercial history of the sewing machine.

Singer, the company which invented the mass-produced sewing machine and has one of the strongest brand names around the world, has sold off its sewing and consumer products marketing operations in 11 European countries to a newly formed British company, European Home Products.

The operations involved in the deal have an annual turnover of about £80m and employ 1,000 people in Britain, West Germany, Spain, Portugal, Sweden, Finland, Norway, Denmark, Belgium, the Netherlands and Austria.

The buyers are a group of independent investors headed by Mr Harry Gittes, a private businessman formerly with Hambros Bank, backed by injections of venture capital from MIM (Montagu Investment Management) and Gyllenhammar and Partners of Sweden. But the existing management, which tried and failed to organise its own buyout, will remain in place and Singer will retain a sizeable minority stake in the new business. No one is prepared to state the value of the deal.

Singer will continue to supply European Home Products from its own sewing machine manufacturing plants on the European continent and in the Far East. Nevertheless, it is highly unusual for a consumer products group to spin off its sales operations in this way (although Singer has always been rather unusual in marketing a large proportion of its sewing machines through its own shops). So why is the company doing it?

The move has to be seen in the context of a thorough restructuring by the group over the past decade which has sharply reduced its dependence on its sewing machine business. Instead, it has moved strongly into high-technology aerospace and military products, as well as other consumer durables.

With the sewing machine market highly mature, Singer's European operations plunged into loss several years ago and have only just been brought back to profit, making them a saleable business.

With the operations needing a fresh injection of capital to expand, and with Singer pursuing a long-term plan to reduce overseas exposure, a decision was taken to sell.

Britain seemed the natural place in which to organise a deal, since it is the group's European headquarters, has one of its largest sales operations and is an obvious centre for raising capital.

The new owners are getting a company which claims roughly 40 per cent of the consumer sewing machine market in the countries concerned. Major competitors include Brother and Toyota, the Far Eastern manufacturers, Pfaff of West Germany and Husqvarna, the subsidiary of Sweden's Electrolux.

Sewing machines, however, now account for less than half of the sales of Singer's consumer products. The rest are made up of goods like knitting machines, wools, fabrics and consumer durables such as vacuum cleaners, sourced outside the company but bearing the Singer brand name.

European Home Products is also buying a self-contained and profitable industrial sewing machines arm, accounting for about £15m of the company's £80m turnover, and active in Spain, Portugal, Britain and West Germany.

Mr Doug Ash, general manager of European Home Products and former vice-president of Singer in Northern Europe, says: "We feel that as a European business, with European management and European financial backing, we can get a lot of growth back into the business."

He will be concentrating on three areas:

- Expansion of the traditional sewing machine business, on the back of a market upturn (the U.S. has been expanding for the past two years, and Europe usually follows) and aggressive marketing which, Mr Ash says, has won back some 5 per cent of the European market over the past two years.

Next month Singer will be launching in Europe a new range of 13 machines aimed at market niches. When the same products were launched in the U.S. earlier this year, they had a dramatic impact on sales.

- Use of the Singer brand name and its strong distributive base – ranging from specialist shops to mail order catalogues – to market other products.
- Expanding into general home crafts – such as knitting, tapestry work and embroidery – where Mr Ash sees a resurgence of public interest.

A big unknown is just what relationship will develop between Singer and its newly independent marketing arm.

RAF halts offshore oil surveillance

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

SURVEILLANCE by the Royal Air Force of British offshore oil and gas installations is no longer necessary, the Government has decided. Orders to stop the RAF patrols by Nimrod reconnaissance aircraft became effective this month.

The decision to halt the patrols, which cost an estimated £5m to £8m a year, was taken as part of a wide-ranging review of the Defence Ministry's activities on behalf of the Department of Energy and the Fisheries Department.

A report before ministers from the interdepartmental review team is also understood to recommend the reduction of the RAF's role in fisheries protection. While the Royal Navy is expected to continue its patrols of the main fishing areas, the report says that the RAF role could be taken over by a civilian organisation.

Whether this would be under ministerial control or put out to tender by private enterprise is not yet clear.

British Aerospace several years ago proposed the Coastguarder version of the HS 748, which could undertake fishery protection duties more cheaply than Nimrod, but no move was made to purchase the aircraft. It is thought that several private companies would be interested in tendering for the job.

NOTICE OF REDEMPTION TO THE HOLDERS OF

The Long-Term Credit Bank of Japan Finance N.V.

Guaranteed Floating Rate Notes Due 1988

NOTICE IS HEREBY GIVEN that, pursuant to the Fiscal Agency Agreement dated as of September 19, 1980 between The Long-Term Credit Bank of Japan Limited and Manufacturers Hanover Trust Company as Fiscal Agent, \$25,000,000 principal amount of the above described Notes are called for redemption at their principal amount on September 25, 1985.

Interest on the Notes will cease to accrue on September 25, 1985.

The September 25, 1985 coupons should be detached and presented for payment in the usual manner. The Notes will carry an interest rate of 10 1/16 % per annum with a coupon amount of \$257.15.

The Notes may be presented for payment at the following addresses.

If By Hand	If By Mail
Manufacturers Hanover Trust Company 130 John Street Corporate Trust Window Ground Floor New York, New York	Manufacturers Hanover Trust Company Coupon Paying Department P.O. Box 2862, GPO Station New York, New York 10116

Payment of principal and interest will also be made against the surrender of Notes at: The Long-Term Credit Bank of Japan, Ltd. in London and Tokyo, Banque Bruxelles Lambert S.A. in Brussels, Banque Internationale à Luxembourg S.A. in Luxembourg, The Development Bank of Singapore Ltd. in Singapore, The Hong Kong and Shanghai Banking Corporation in Hong Kong, Kredietbank N.V. in Brussels and the Oversea-Chinese Banking Corp. Ltd. in Singapore.

Dated: August 22, 1985

Lease Plan Nederland N.V.

Dfls 15,000,000.–
9% bearer notes 1979
due 1983/1986

As provided in the Terms and Conditions of the above Notes, Redemption Group no. 4, amounting to Dfls 3,750,000.– has been drawn for redemption on August 22nd, 1985 and consequently the Note bearing consecutive number 4 and all Notes bearing a consecutive number which is 4 or multiple of 4 higher than 4 are payable on

October 1, 1985

at

Bank Mees & Hope NV
(Central Paying Agent)

Nederlandse Credietbank N.V.
in Amsterdam,

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
in Utrecht,

Algemene Bank Nederland (Schweiz)
in Zürich

Banque Générale du Luxembourg S.A.
in Luxemburg

August 29, 1985

BASE LENDING RATES

A.B.N. Bank	11½%	Heritable & Gen. Trust	11½%
Allied Dunbar & Co.	11½%	■ Hill Samuel	§11½%
Allied Irish Bank	11½%	C. Hoare & Co.	11½%
American Express Bk.	11½%	Hongkong & Shanghai	11½%
Henry Ansbacher	11½%	Johnson Matthey Bkrs.	11½%
Amro Bank	11½%	Knowsley & Co. Ltd.	12 %
Associates Cap. Corp.	12 %	Lloyds Bank	11½%
Banco de Bilbao	11½	Edward Manson & Co.	12½%
Bank Hapoalim	11½%	Meghraj & Sons Ltd.	11½%
BCCI	11½%	Midland Bank	11½%
Bank of Ireland	11½%	■ Morgan Grenfell	11½%
Bank of Cyprus	11½%	Mount Credit Corp. Ltd.	11½%
Bank of India	11½%	National Bk. of Kuwait	11½%
Bank of Scotland	11½%	National Girobank	11½%
Banque Belge Ltd.	11½%	National Westminster	11½%
Barclays Bank	11½%	Northern Bank Ltd.	11½%
Beneficial Trust Ltd.	12½%	Norwich Gen. Trust	11½%
Brit. Bank of Mid. East	11½%	People's Trust	12½%
■ Brown Shipley	11½%	PK Finans. Intl. (UK)	12 %
CL Bank Nederland	11½%	Provincial Trust Ltd.	12½%
Canada Permanent	11½%	R. Raphael & Sons	11½%
Cayzer Ltd.	11½%	Roxburghe Guarantee	12 %
Cedar Holdings	12 %	Royal Bank of Scotland	11½%
■ Charterhouse Japhet	11½%	Royal Trsut Co. Canada	11½%
Choulartons§**		■ J. Henry Schroder Wagg	11½%
Citibank NA	11½%	Standard Chartered	‖11½%
Citibank Savings	†12½%	TCB	11½%
City Merchants Bank	11½%	Trustee Savings Bank	11½%
Clydesdale Bank	11½%	United Bank of Kuwait	11½%
C. E. Coates & Co. Ltd.	12 %	United Mizrahi Bank	11½%
Comm. Bk. N. East	11½%	Westpac Banking Corp.	11½%
Consolidated Credits	11½%	Whiteaway Laidlaw	12 %
Continental Trust Ltd.	11½%	Williams & Glyn's	11½%
Co-operative Bank	11½%	Yorkshire Bank	11½%
The Cyprus Popular Bk.	11½%		
Duncan Lawrie	11		
E. T. Trust	12 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	13 %		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptns.	12½%		
Grindlays Bank	‡11½%		
■ Guinness Mahon	11½%		
■ Hambros Bank	11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.00%, 1 month 8.50%. Top Tier—£2,500+ at 3 monthly notice 11.25%. At call when £10,000+ remains deposited.
† Call deposits £1,000 and over 8% gross.
‡ 21-day deposits over £1,000 8.25%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 8%.

New Issue | This announcement appears as a matter of record only. | August 28, 1985

Oesterreichische Kontrollbank Aktiengesellschaft

Vienna

DM 150 000 000
6¾ % Bearer Bonds 1985/1997

unconditionally and irrevocably guaranteed by the

Republic of Austria

– Stock Index No. 476390 –

Offering Price: 100¼ %

Dresdner Bank Aktiengesellschaft — Deutsche Bank Aktiengesellschaft

Commerzbank Aktiengesellschaft — Westdeutsche Landesbank Girozentrale — Bayerische Vereinsbank Aktiengesellschaft

Creditanstalt-Bankverein — Österreichische Länderbank Aktiengesellschaft — Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

ABD Securities Corporation
Alahli Bank of Kuwait (K.S.C.)
Algemene Bank Nederland N.V.
Al-Mal Group
Amro International Limited
Arab Banking Corporation – Daus & Co. GmbH
Baden-Württembergische Bank Aktiengesellschaft
Julius Baer International Limited
Banca Commerciale Italiana
Banca del Gottardo
Banca Nazionale del Lavoro
BankAmerica Capital Markets Group
Bank für Arbeit und Wirtschaft Aktiengesellschaft
Bank für Gemeinwirtschaft Aktiengesellschaft
Bank Leu International Ltd.
Bank Mees & Hope NV
Bank für Oberösterreich und Salzburg
Bank für Tirol und Vorarlberg Aktiengesellschaft
Bank of Tokyo International Limited
Bank J. Vontobel & Co. AG
Bankers Trust GmbH
Banque Bruxelles Lambert S.A.
Banque Française du Commerce Extérieur
Banque Générale du Luxembourg S.A.
Banque Indosuez
Banque Internationale à Luxembourg S.A.
Banque Nationale de Paris
Banque Paribas Capital Markets
Barclays Merchant Bank Limited
Baring Brothers & Co., Limited
Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft
Bayerische Landesbank Girozentrale
Joh. Berenberg, Gossler & Co.
Bergen Bank
Berliner Bank Aktiengesellschaft
Berliner Handels- und Frankfurter Bank
Bankhaus Gebrüder Bethmann
Caisse des Dépôts et Consignations
Caisse Nationale de Crédit Agricole
Chase Manhattan Capital Markets Group Chase Manhattan Limited
Chemical Bank International Group
CIBC Limited
Citibank Aktiengesellschaft
County Bank Limited
Crédit Commercial de France

Crédit Industriel et Commercial de Paris
Crédit Lyonnais
CSFB-Effectenbank AG
Daiwa Europe (Deutschland) GmbH
Delbrück & Co
Den norske Creditbank
Deutsche Girozentrale – Deutsche Kommunalbank –
Deutsche Länderbank Aktiengesellschaft
DG Bank Deutsche Genossenschaftsbank
Dillon, Read Limited
Dominion Securities Pitfield
Enskilda Securities Skandinaviska Enskilda Limited
Die Erste österreichische Spar-Casse
Euromobiliare S.p.A.
European Arab Bank
European Banking Company Limited
First Interstate Capital Markets Ltd.
Gefina International Ltd
Generale Bank
Genossenschaftliche Zentralbank AG Vienna
Goldman Sachs International Corp.
Hambros Bank Limited
Georg Hauck & Sohn Bankiers Kommanditgesellschaft auf Aktien
Hessische Landesbank – Girozentrale –
Hill Samuel & Co. Limited
Industriebank von Japan (Deutschland) Aktiengesellschaft
Istituto Bancario San Paolo di Torino
Kansallis-Osake-Pankki
Kidder, Peabody International Limited
Kleinwort, Benson Limited
Kredietbank N.V.
Kredietbank S.A. Luxembourgeoise
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)
Kuwait International Investment Co. s.a.k.
Kuwait Investment Company (S.A.K.)
Landesbank Rheinland-Pfalz – Girozentrale –
Lazard Frères et Cie.
Lloyds Bank International Limited
Manufacturers Hanover Limited
Merck, Finck & Co.
Merrill Lynch Capital Markets
B. Metzler seel. Sohn & Co.
Mitsubishi Finance International Limited
Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited
Morgan Guaranty GmbH
Morgan Stanley International
The Nikko Securities Co., (Deutschland) GmbH
Nippon Credit International (HK) Ltd.
Nomura International Limited
Norddeutsche Landesbank Girozentrale
Österreichische Postsparkasse
Österreichisches Credit-Institut Aktiengesellschaft
Sal. Oppenheim jr. & Cie.
Orion Royal Bank Limited
Pierson, Heldring & Pierson N.V.
PK Christiania Bank (UK) Limited
Postipankki
Privatbanken Aktieselskab
Rabobank Nederland
Reuschel & Co.
N. M. Rothschild & Sons Limited
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J. Henry Schroder Wagg & Co. Limited
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Shearson Lehman Brothers International
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Standard Chartered Merchant Bank Limited
Sumitomo Finance International
Svenska Handelsbanken Group
Swiss Bank Corporation International Limited
Swiss Volksbank
Tokai International Limited
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Union Bank of Switzerland (Securities) Limited
Verband Schweizerischer Kantonalbanken
Vereins- und Westbank Aktiengesellschaft
M. M. Warburg-Brinckmann, Wirtz & Co.
S. G. Warburg & Co. Ltd.
Westfalenbank Aktiengesellschaft
Westpac Banking Corporation
Wirtschafts- und Privatbank
Dean Witter Capital Markets-International
Wood Gundy Inc.
Yamaichi International (Europe) Limited

MOSP MINISTERIO DE OBRAS Y SERVICIOS PUBLICOS SECRETARIA DE ENERGIA

AGUA Y ENERGIA ELECTRICA
SOCIEDAD DEL ESTADO

REPUBLICA ARGENTINA

International Public Invitation to Tender No. 75/85

Supply, Erection and Start-up of the Integral Communication System for the Operation of the Regional Load Dispatch System of the Northwest Interconnected System (Provinces of Catamarca, Jujuy, La Rioja, Salta, Santiago del Estero and Tucumán) Contract Document AyE-GEP 1581

Copies may be obtained upon payment of A185 (Argentina Currency).

BID OPENING: 10/23/85, 10 hours.

Consultation and obtention of contract documents at: Gerencia de Compras, Adolfo Alsina 1418, Planta Baja, City of Buenos Aires, República Argentina, on business days from 11 am to 2 pm and at Gerencia Regional Noroeste, Av. Avellaneda 205, San Miguel de Tucumán, Republica Argentina, on business days from 8 am to 1 pm.

Submittance and opening of contract documents at the address first mentioned.

THE FOREGOING INVITATION TO TENDER IS PARTIALLY FINANCED WITH FUNDS OF THE INTER-AMERICAN DEVELOPMENT BANK LOAN CONTRACT No. 456/OC-AR.

Nationality of intervening parties and the origin of their items are restricted to countries members of the IDB.

8 Pitch corrector entertains girl—mole, perhaps (9) Sir Alan Marre, 44 The Vale, London NW11.

United's £286m bid rejected by Fleet Holdings

BY CHARLES BATCHELOR

THE BATTLE for control of Fleet Holdings, publishers of the Daily and Sunday Express, began in earnest yesterday with an all-share takeover bid from United Newspapers which valued Fleet at £286m.

Lord Matthews, Fleet chairman, promptly rejected the United approach in a hard-hitting statement which described the offer as "particularly feeble" and the cash alternative as "a joke."

After five months of initial skirmishing the stage is now set for what many in the City of London expect to be a bitterly fought takeover contest.

United, best known for publishing Punch magazine and the Yorkshire Post, first announced plans to bid for Fleet in March.

It was not until a week ago, however, when the Government backed a Monopolies Commission report giving bid approval that United was free to announce terms.

Fleet's defence is expected to make much of United's lack of experience in dealing with the particular problems of managing national newspapers. Lord Matthews said: "United speak of their experience and commitment but they have none in Fleet Street. To imagine that the problems of Fleet Street can be solved as glibly as United imply is naive."

United, which already owns a 20.08 per cent stake in Fleet, is offering 11 of its own shares for every 10 of Fleet. United's shares rose 10p yesterday to 308p. This valued the offer at 339p per share and put a price of £226m on the 80 per cent stake for which United is bidding and £286m on Fleet's total equity.

United is also offering a cash alternative worth 302.5p per share.

Fleet's share price rose 15p to 360p, out of reach of the bid and a clear indication that the City expects United will have to offer more if it is to succeed. Stockbroking analysts said United might have difficulty justifying to its shareholders increasing its bid above 350p per share.

United accompanied its bid statement with an announcement that its pre-tax profits rose 23 per cent to £19.26m in the six months to June 30. It plans to pay a total dividend of 16p for the year to December, an increase of 10.3 per cent.

Mr David Stevens, United chairman, said there was a strong commercial logic to combining Fleet's national newspapers and business magazines with United's regional papers and consumer, leisure and farming magazines.

United believes the Express newspapers need a more coherent editorial policy and more modern production processes.

Mr Gordon Linacre, United chief executive, said: "The Express does not seem to know where it should be in a changed newspaper market. It has lost the charisma it once had."

United has cut overmanning on its regional newspapers by 20 per cent, in co-operation with its unions and without compulsory redundancies. It is very likely that it will need to reduce overmanning by more than 20 per cent at Fleet, Mr Linacre said.

Mr Stevens, who is also chairman of Montagu Investment Management, has pursued an aggressive acquisition policy at United, paying £82m for Link House, publishers, last November, and £29m for Gralla Publications, a U.S. magazine group in September 1983.

Fleet was floated off as a separate company from Sir Nigel Broackes' Trafalgar House group in 1982. Apart from the Express newspapers it owns the Daily Star, Morgan-Grampian magazines, a 31 per cent stake in TV-am and a stake in Reuters worth about £100m.

Fleet increased pre-tax by 75 per cent to £11.2m in the six months to December 1984 on turnover up 14 per cent at £180m.

Lex, Page 12

Teachers plan wider pay dispute action

BY DAVID BRINDLE, LABOUR STAFF

THE NEW ACADEMIC year will start in most state schools in England and Wales next week with no respite from disruption by the main teachers' unions in their seven-month-old pay dispute.

The National Union of Teachers (NUT), the biggest union involved, yesterday announced plans for more widespread action than last term, including short-notice "guerrilla" strikes and no exemptions to supportive local education authorities.

The National Association of Schoolmasters/Union of Women Teachers, the second largest union, had already committed itself to action in every education authority from October 1. Next week, its members will be striking in 20 of the 104 authorities.

More crucial is likely to be the attitude of head teachers who struggled, often singlehandedly, to keep schools open at lunchtimes throughout the last two terms while their junior colleagues boycotted supervisory duties.

The National Association of Head Teachers (NAHT) is issuing strong advice to its members to give up that struggle. The key to the dispute might be whether they follow that advice, closing many schools at midday and turning pupils on to the streets in scenes that would force the Government to act.

Judging by the views expressed by the overwhelming majority of speakers at the NAHT's spring conference, where a call for industrial action was decisively rejected, many heads still believe that the welfare of their pupils comes first and that their schools must be kept open.

The dispute may, therefore, continue without much hope of an early breakthrough. The employers' leaders meet tomorrow to take stock of the position and to consider proposals based on the Goverment's conditional offer of extra money for teachers' pay for the coming four years. There is, however, little optimism.

Mr Fred Jarvis, the NUT's general secretary and leader of the union side of the Burnham negotiating body on teachers' pay, yesterday termed the Governmeot's offer "hasty window-dressing." He insisted that only an increase in the 8.06 per cent pay offer for the present year could settle the dispute.

The unions are pressing for an increase of 12.4 per cent or a flat rate rise of £1,200 a year.

Mr Jarvis said the attitude of Sir Keith Joseph, the Education Secretary, was "totally repugnant to us in that he steadfastly refuses even now to accept that every teacher is entitled to a truly professional level of pay."

The NUT's tactics for the new school year mark a shift away from the three-day strikes of last term, with more concentration on selective walkouts and rallies and other action tailored to attract public and political opinion.

For the first time since action was taken, some NUT teachers will not earn dispute benefit. Although the union says its strike fund is healthy, all members are being asked to agree to attend half-day rallies without the usual reimbursement of full pay.

In addition to the rallies, there will be guerrilla strikes – as yet unspecified – and local strikes in Blackpool, Torquay and Bournemouth to coincide with education debates at the Trades Union Congress next week and political party conferences being held in the towns this autumn.

Sanctions will also be tightened. NUT members are being urged to boycott all duties other than the teaching of classes and associated preparation and marking work. As with the heads, it remains to be seen whether teachers will put the dispute above children's sports activities and field trips.

The NUT is also recommending its divisions to ballot on immediate no-cover action when teachers are absent (cover has been previously maintained for the first day of absence) and to refuse all co-operation with the development of new examinations such as the GCSE (General Certificate of Secondary Education).

In the separate teachers' dispute in Scotland, where the new term has begun, disruptive action has already been resumed by the unions in pursuit of an independent pay review.

Oil output up 11%

By Dominic Lawson

BRITAIN'S North Sea oil output rose by 11 per cent last month to reach 2.45m barrels a day, according to Royal Bank of Scotland figures.

Production in June had been depressed by the decision of a number of oil companies to bring forward oilfield maintenance work while oil prices remained weak. July output was, however, some 4 per cent below the level at the same time last year.

Alexander Nicoll on securities trading reforms

Fine tuning for the global market

"THERE WAS a danger," said Mr George Hayter, "that the final of the knockout contest would be played in the first round."

Mr Hayter, divisional director of information services at the London Stock Exchange, has played a leading role in its response to a threat from the rapidly developing market in international equities. The fear was that this could pre-empt Britain's creation of a reformed securities market in the so-called "Big Bang" due next year.

By agreement with the Government the exchange has been creating a new competitive environment through the dismantling of fixed commission scales and of the "single capacity" market-making system. Alongside it has grown a market which by-passes and threatens to undercut the new regime before it is even established.

"Unless we provided a platform, the top tier of the UK domestic market would be hard to hold on to when Big Bang occurred," Mr Hayter said. The successful acceleration of the Stock Exchange Automated Quotation (SEAQ) international quotation system, which has 15 market-makers and a waiting list, giving prices on non-UK equities as a precursor to full domestic automated quotation, has been one aspect of the exchange's strong response to the problem.

It has also taken an aggressive and pragmatic approach in discussions with U.S. regulatory authorities, and this was illustrated in its just-published response to Securities and Exchange Commission (SEC) suggestions on the subject. Talks on a co-operative approach to market development are also going on with U.S. stock exchanges.

The global equity market takes several forms, some of which have been evident for many years – such as the trading of South African or Australian shares in London. The SEC noted, however, that "in recent years there has been an increasing tendency for major securities to be traded not only in the capital market of their country of origin, but also in other financial centres around the world." The implication for existing markets, it added, "remains largely unknown."

Euromoney magazine this year identified 328 companies – up from 236 last year – of which the shares had an active and liquid market in at least one centre outside their home base. Of the total, 85 were based in the U.S., 65 in Japan, 25 in Australia and 25 in Britain.

London, thanks to its status as a centre for flows of funds created partly by its role as the focus of the Eurobond market, is a market centre for global equities.

Increasingly, U.S. and other securities houses have developed a market in them essentially over the telephone, similar to the Eurobond market. Reuters of the UK and Instinet of the U.S. are meanwhile co-operating on worldwide marketing of Instinet electronic quotation and trading system.

In addition to more cross-border trading, there has been a trend towards multinational offerings of shares. Recent flotations of British Telecom, Reuters and Britoil have, for example, tapped foreign sources of investment, while most major U.S. share offerings will include a tranche marketed in Europe and Japan.

Even more radical have been attempts to tap investment sources previously unaccustomed to equities. Nestlé of Switzerland and the U.S. Student Loan Marketing Association have both made share issues this year that were channelled through the rapid distribution system for Eurobonds.

The aim of global trading – apart from providing additional profitable business for issuing houses and market-makers – is on the one hand to broaden the shareholder base and thus improve the price performance of corporate shares. On the investor's side, it is to improve portfolio management performance in an increasingly competitive world by taking advantage of share-buying opportunities across global, rather than just domestic, industry sectors.

Clearly, it contains pitfalls for unwary finance directors who may fear that their share price is vulnerable to the behaviour of less knowledgeable investors with short-term portfolio horizons, and for investors who may suffer from a lack of up-to-date knowledge about their investments or of differing accounting standards. An increased emphasis on research among broking firms is designed to narrow such knowledge gaps and thus foster the global market's growth.

The stock exchange's concern has also been to prevent the growth of a disorderly, imperfect market in which investors and issuers could suffer from among other things poor price visibility.

A proper market, Mr Hayter says, does not just require an international trading and information system. It must also ensure rapid and efficient clearing and transfer systems, up-to-date price and last trade data, proper availability of company news, a consistent cluster of traded securities, and a membership fraternity with mutual confidence.

It is not good enough, he says, to expect the market to be dominated by professional investors and "have a big "caveat emptor" sign over the door."

JFB to raise $13m by sale of Cannon superalloys offshoot

BY IAN RODGER

JOHNSON and Firth Brown (JFB), the troubled Sheffield metals and engineering group, is selling Cannon Muskegon, a leading U.S. maker of exotic metal alloys, to SPS Technologies, a U.S. aerospace components group.

The sale, which has been agreed in principle, is the latest in a series of disposals by JFB since its large special steel business ran into difficulties in 1980.

It could also be the prelude to the resolution of the group's biggest remaining problem – losses from Sheffield Forgemasters, its joint venture with the stake-owned British Steel Corporatioo (BSC).

Forgemasters, which makes large steel forgings and castings, has lost over £18m since it was formed in December 1982.

JFB's 50 per cent share of these losses has been the main factor in the emergence of a £12.2m deficit in its distributabla reserves. Total shareholders' funds at September 30, 1984 were £49.9m. The Cannon sale is likely to bring in about $13m.

JFB made clear earlier this year that it would welcome an opportunity to sell its stake in Forgemasters but no buyers have emerged. The company might also be relieved if Forgemasters went bankrupt, but the Government has not allowed this to happen. In January, BSC backed £10m in new loans for the financially strapped venture.

The Government regards Forgemasters, which produces sophisticated steel components for the nuclear power and defence industries, as strategically important. It would also be reluctant to endorse further heavy job losses in the Sheffield area, where British Steel is to close the Tinsley Park steelworks with the loss of about 800 jobs.

One solution would be for British Steel to take over JFB's stake in Forgemasters, but the Government opposes any move that would be seen as a reversal of its privatisation policy.

JFB bought Cannon – which specialises in making superalloys which are used for making aero engine parts and human replacement joints – in 1979 for £9m. In the year to September 30, 1984, it had pretax profits of $1.4m

● The Scottish Trades Union Congress claimed yesterday that British Steel would oo longer be able to make some motor car components if it went ahead with its plan to close the wide-strip rolling mill at Gartcosh, near Glasgow.

The charge, which was quickly denied by BSC, was the opening salvo in what is expected to be a long and hard-fought campaign to save the mill.

UK NEWS

Jaguar U.S. success smooths way for Austin Rover launch

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

PROMOTION AND marketing of Austin Rover's XX luxury saloon in the U.S. will emphasise the car's British origins. "We will wave the Union Jack," said Mr Ray Ketchledge, president (chief executive) of the import company which will start selling the model in January, 1987.

Three years ago this would not have been a good idea because of the poor reputation of British cars in the U.S., but the recovery of Jaguar's position in that market had helped remarkably by showing that quality cars could be made in Britain, he said. "Jaguar has done a great job for Britain in the U.S."

No mention will be made in advertising that the XX was jointly developed by the state-owned BL subsidiary with Honda and will use the Japanese company's V6 engine and transmission. "But we won't be bashful in talking about the excellent Japanese technology in the engine," said Mr Ketchledge.

So far no decision has been made about a name for the car in the U.S. Rover seems to have been eliminated as it is associated in American minds with dogs, according to Mr Ketchledge. A name owned by another BL company has done remarkably well in consumer research – "the name must indicate the car is British to the U.S. buyers," he added.

Since Austin Rover announced in June it was returning to the U.S. it has received applications from 505 dealers. The new import company, Austin Rover Cars of North America (Arcona) will sign about 95 dealers in time for the launch, having already reduced the proposed total from 100 because of the volumes some dealers are willing to take.

The company aims to sell 20,000 cars in the first year. "I feel that as we add to the range we could move above 40,000," said Mr Ketchledge. He believed the target was conservative because sales of high-priced luxury European cars in the U.S. are expected to double to 500,000 between 1984 and 1986.

A hatchback version of XX will almost certainly be added in the second year to the booted version which will be launched with two levels of specification. Although many U.S. dealers have said hatchback cars have a downmarket image not suitable for XX, others said it would account for 15 to 20 per cent of their sales volume.

The XX will be priced at about $22,000, in line with competitors such as the BMW 3-Series and Audi 5000 (known as the 100 in Europe).

Reuters to increase stake in Visnews

By Raymond Snoddy

REUTERS, the financial information and news organisation, is set to take a controlling interest in Visnews, the London-based international television newsagency.

Agreement has already been reached in principle that Reuters will pay the BBC between £2.5m and £3m for 22 per cent of its stake in the organisation, the world's largest television newsagency serving 380 broadcasting organisations in 90 countries.

If, as expected, the deal is confirmed at a Visnews board meeting in October this will give Reuters a 55 per cent share of the organisation.

At the moment, Reuters and the BBC each have a 33 per cent stake and the rest is divided equally between the Canadian, the Australian and New Zealand broadcasting corporations.

In future the BBC and the three other Commonwealth broadcasting organisations would each share equally the remaining 45 per cent.

Reuters is interested in using Visnews as a vehicle for the creation of an expanded international television news operation as a natural development of its news wire services.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1984							
2nd qtr.	102.4	100.4	107	110.2	130.1	3,026	154.0
3rd qtr.	102.3	101.3	106	111.1	133.3	3,076	165.1
4th qtr.	103.4	101.2	104	113.6	164.0	3,103	166.5
1985							
1st qtr.	105.5	102.2	102	112.6	133.9	3,138	157.5
2nd qtr.	107.8	102.8	100	114.9	141.4	3,174	169.5
January	105.1	101.6	98	111.6	134.4	3,124	157.2
February	105.0	102.1	107	112.0	130.2	3,144	156.1
March	106.5	102.8	102	113.8	136.5	3,147	159.2
April	107.6	102.5	101	114.1	140.3	3,176	166.7
May	108.2	102.3	110	114.8	142.0	3,177	167.1
June	107.6	103.6		116.0	141.8	3,169	174.8
July				116.1		3,173	179.7

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
2nd qtr.	101.6	96.8	105.5	98.8	107.8	97.7	18.0
3rd qtr.	102.0	97.7	104.6	100.2	110.8	98.2	16.2
4th qtr.	102.5	98.3	106.1	99.7	107.3	99.4	13.3
December	103.0	100.0	106.0	101.0	109.0	100.0	9.5
1985							
1st qtr.	102.2	101.3	108.9	102.7	112.1	98.9	13.8
2nd qtr.	101.8	102.6	113.2	103.4	119.0	99.1	18.3
January	102.0	100.0	109.0	102.0	108.0	98.0	11.7
February	102.0	101.0	108.0	103.0	112.0	99.0	13.2
March	102.0	102.0	110.0	103.0	117.0	100.0	16.6
April	102.0	102.0	113.0	103.0	119.0	98.0	17.9
May	102.0	102.0	114.0	103.0	120.0	99.0	19.9
June	103.0	104.0	112.0	104.0	121.0	100.0	18.8

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
2nd qtr.	109.1	119.7	−1,171	−109	+1,543	97.3	15.51
3rd qtr.	109.9	122.7	−1,615	−363	+1,804	97.2	15.26
4th qtr.	119.7	129.1	−1,313	+424	+1,468	96.8	15.52
1985							
1st qtr.	120.5	128.5	−1,283	−535	+1,862	96.2	14.80
2nd qtr.	120.3	125.7	−222	+1,278	+2,361	97.9	14.11
January	118.2	121.2	− 64	+182	+926	96.5	15.52
February	123.8	127.5	−241	− 12	+675	95.9	15.35
March	119.6	136.8	−977	−704	+260	96.3	13.53
April	121.5	129.7	−259	+242	+684	97.0	14.03
May	121.4	120.8	+252	+752	+835	98.0	13.98
June	118.4	126.9	−216	+284	+842	98.8	14.32
July	116.9	122.6	− 56	+444	+693		14.26

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credits; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,878	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,813	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,946	9.63
December	12.2	27.2	12.1	22.4	1,004	972	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.05
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,082	12.50
January	5.0	9.0	13.6	16.3	823	1.168	14.00
February	3.1	− 5.0	4.6	13.3	474	1,013	14.00
March	− 1.3	− 1.2	9.2	16.0	214	965	13.50
April	5.4	22.2	18.8	19.5	507	1,061	12.63
May	4.2	33.2	18.4	17.7	615	1,042	12.63
June	5.7	44.6	25.1	20.2	401	979	12.50
July	4.4	19.1	8.3	16.8	650		11.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.8	134.1	132.8	353.9	326.8	288.95	78.0
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
2nd qtr.	170.3	138.8	139.4	375.3	339.4	278.13	78.9
January	163.4	145.3	135.9	359.8	330.8	296.98	71.5
February	164.5	147.6	136.6	362.7	332.5	295.73	71.3
March	168.1	145.5	137.5	366.1	335.4	295.22	73.3
April	169.4	140.8	139.2	373.9	338.8	295.08	78.0
May	169.4	138.8	139.5	375.6	339.3	279.98	78.7
June	172.0	136.7	139.6	376.4	340.1	278.13	79.9
July		134.0	140.0	375.7	335.3	259.51	83.6

* Not seasonally adjusted.

THE ARTS

Letter from New York/Paula Deitz

Fragments of summer

This summer the proposed addition to the Whitney Museum of American Art's Marcel Breuer building was unveiled by post-modern architect Michael Graves. Breuer's 1966 building stands on Madison Avenue at 75th Street, in a mixed neighbourhood of brownstone houses, small businesses and a few distinguished churches and old mansions. It is a difficult act to follow. Breuer came to the U.S. fresh from his Bauhaus years (he had already designed the famous tubular steel chairs based on bicycle handlebars) and the building he created was a Modernist structure in the blockish sculptural mode, like a medieval fortress.

"Modern architecture of the recent past" is Michael Graves's catch-phrase to describe those bygone days when buildings like the Whitney or Frank Lloyd Wright's spiralling Guggenheim Museum defined new urban forms which, though they did not reflect the fabric of their neighbourhoods (as is fashionable now), have nevertheless become congenial and endearing presences. So Graves's design is being judged on its own merits as well as for its effect on the Breuer building, making it the hottest architectural issue this summer. (The Guggenheim's extension is coming up next.) No one forgets that, buried in the Metropolitan Museum of Art now as an *interior* wall of a new wing, is the museum's original 1880 façade by Calvert Vaux.

Graves teaches at Princeton University, and knows how to work a crowd. When introducing his plans he made a rapid progression of sketches with brown conté crayon on a large pad that gave the impression of seeing the building designed before one's own eyes. First he tried a tower on the south site, then a tower with ziggurat set-backs to comply with zoning regulations. But alas, the resulting gallery space was too small, so he turned the tower bulk on its side to spread five tiered storeys above the existing five-storey Whitney, which would be incorporated into the overall design as one of two legs supporting the upper body. He then designed a second base of comparable size to the original Whitney, without imitating its form, and joined the two with a rounded "hinge."

In the slide show that followed he projected a slide of an Annunciation scene, a diptych by Fra Angelico, to demonstrate the visual weight on a central column which could be alleviated by a third element, in the case of his design the cylindrical hinge to join the two base structures and an arched eyebrow window above. The aesthetic result he proved by slide number two, a triptych of the Annunciation by Piero della Francesca. He was right to dwell on the hinge feature, for it is one root of the controversy — the castle keep has been wrapped up in it.

For the rest, Graves is known for his polychromatic materials and decorative elements from the classical idiom as it has been passed down through Palladio and the Beaux-Arts tradition. *As a contrast to* Breuer's grey granite, he selected a reddish granite banded with grey for his base structure, with a single triangular alabaster inset to offset the Whitney's eye. The upper structure is in buff and pink granite; and there are colonnades above and below, a pergola sheltering the windows of the penthouse restaurant that overlooks Central Park, and even a decorative cornice to recall the brownstone houses to be demolished on the site.

This is good Michael Graves, but does it not squash Breuer? The American Institute of Architects has already held one public meeting, unusual for the season, where Graves defended the plan, and now the design must be submitted for approval to three regulatory bodies including the Landmarks Preservation Commission. As other post-modern architects have added on to the Modernist *museum* that proliferated in American cities and on university campuses, there is a phenomenon now whereby the new buildings look as though they should be the old ones, perhaps from the turn of the century, while those "of the recent past" are still fresh, strong elements.

What would Breuer have to say about all this? Probably exactly what he said when his own design was unveiled in 1963: "A museum should have identity and weight in the neighbourhood of 50-storey skyscrapers, of mile-long bridges, in the midst of the dynamic jungle of our colourful city. It should be an independent and self-relying unit."

Another point of view would have it that the structure of a city is a kind of collage of parts added to parts—this was a thought once expressed by the German artist Kurt Schwitters. This summer people are relishing the most comprehensive exhibition ever assembled of Schwitter's total oeuvre—with over 100 collages (of his reported 2,000), *assemblages, drawings, sculpture*, typography and advertising designs—in the *already* expanded galleries of the Museum of Modern Art.

After years of garnering a taste in small gallery shows for these congested and memorable bits pasted into orderly collages, the best no larger than a page of a book, one is grateful to see the complete array of Schwitter's idiosyncratic development. He absorbed in turn what was most new about the 20th century—Cubism, Dadaism, Expressionism and Constructivism—but essentially was isolated and private, working at home in Hannover before being forced to leave Germany for Norway and thence to England where he died in 1948 aged 60.

John Elderfield, who organised the exhibition and wrote the 240-page catalogue, recalls the art historian Meyer Schapiro's observation that collage lies in the *tradition of* still-life painting, manipulating objects of use "which owe their presence to human actions and purposes." Unlike the Cubists, who originated collage and made new shapes from old materials, Schwitters's remnants retained their integrity even as they were fragmented by tearing or cutting. Nor were these simply the found objects gathered by his successors in the tradition, like American artists Jasper Johns and Robert Rauschenberg. For Schwitters, these shreds of paper, texts and *fabrics* were the remains of daily life with all the rich associations intact that imbued the mixtures with personal meanings.

One can envisage Schwitters working rapidly with his pot of flour paste, equally aware of what by overlapping he concealed, particularly of the written texts which became half-messages, suggestive of narratives. From a 1919 collage, the year his style took off, he selected one of his word fragments, "merz" (from an advertisement for the Kommerz-und Privatbank) to become the generic term for all his work—a movement of its own. Whether the pictures were abstracted geometric colour fields, or a mix*ture of assemblage and collage*, they were all called *Merzbilder* (Merzpictures).

His lifetime devotion was to an *interior architecture* he devised, *Merzbau* (Merz-building, a good word for Michael Graves to know), where he transformed the otherwise ordinary studio rooms of his Hannoverian house into a series of cathedral or grotto-like environments with niches and shelves to store potent memorabilia. Though this first *Merzbau* was destroyed in the war, and the second one in Norway succumbed to fire, a third and partial one he began near Ambleside in the Lake District, when already in ill health, has been preserved at the *Hatton* Gallery of the University of Newcastle-upon-Tyne. Here he used elements of the out-of-doors, recalling his very first work at 14, a carefully planned garden with roses, strawberries and an artificial pond, which other children had cruelly destroyed in his presence. From those ruins, he began his art; and in spite of other ruins and other beginnings, he continued to use the past, while always working in a new present with strength and vigour.

In a reverse chain of events, Lynden B. Miller, who was a collage artist, has brought the sense of colour and form alive by restoring and redesigning the premier perennial borders in Manhattan's most extensive formal garden. She is the Director of the Conservatory Garden in Central Park—a park that may best be described as the city's courtyard because of its central position ringed by skyscrapers and apartment buildings.

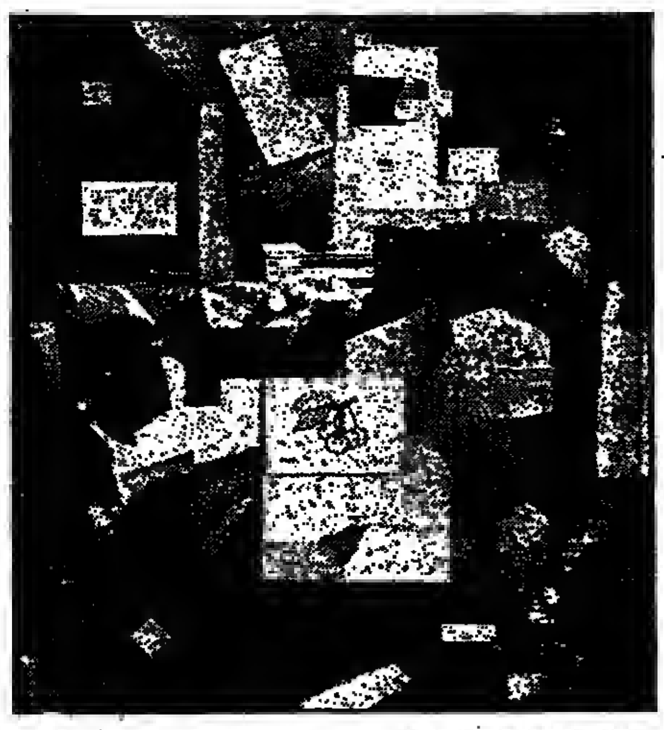
The first plan for the six-acre symmetrical garden, which resembles those of the great Long Island estates, came into being in 1936 after the glasshouses that gave the garden its name were demolished. *Eventually*, the original flower beds suffered the same neglect as the rest of the park, which is also being restored.

One enters through the tall, lacey, wrought-iron Vanderbilt gate, which was made in Paris for the family mansion that *once stood at Fifth Avenue and* 58th Street. The first view is over the lush rectangular greensward (mowed on the diagonal). Rising at the far end, above a formal fountain and a succession of terraced hedges, is the tall, semicircular wrought-iron pergola supporting (or being supported by) a gnarled and grand wisteria vine. The walk beneath is cool and mysterious.

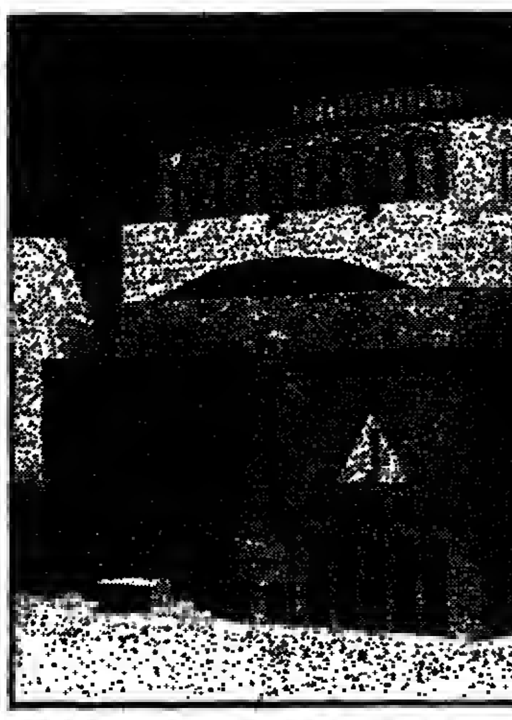
The crab apple allées on either side of the great lawn lead to the north and south gardens. To the north, the circular parterres are French in spirit with arabesque patterns of grey santolina filled in with pink begonias and four arbors of Silver Moon roses. To the south is the Gertrude Jekyll-style English garden, where since 1982 Lynden Miller and her fellow horticulturists have focussed their main efforts.

The brilliance of the garden derives from Miller's absolute knowledge not just of seasonal blooms but of the proportion, texture and subtle contrasts of *tone*—grey, green and blue—of the leafy stalks. To stand with her in early spring and then return now, when the garden is in *full* maturity, is to *understand* the accuracy of the eye of a collage artist. Like her own paper collages of Central Park, the studied contrast here of contour, texture and height is a rare sight, even to the simple juxtaposition of grey and green santolina interspersed with purple sage.

The central fountain is dedicated to Frances Hodgson Burnett from the children of *the City of New York. It is no* secret that she wrote *The Secret Garden* while living here on Long Island. The fountain figures are of Mary and Dickon from the book, who oversee the comings and goings in Manhattan's own secret garden—a secret no more.



"The Cherry Picture," a mixture of assemblage and collage by Kurt Schwitters.



Michael Graves's proposed addition to the Marcel Breuer building would wrap around the central structure.

Le Misanthrope, Miss Julie

Michael Coveney

The two visiting foreign companies at the Royal Lyceum in Edinburgh this week are the National Theatre of Belgium, with Jacques Huisman's slavishly dull production of Molière's *Le Misanthrope*, and the Baxter Theatre of Cape Town, with Bobby Heaney's unslavishly dull version of Strindberg's *Miss Julie*. The Molière played for just two performances; the Strindberg continues until Saturday.

Neither show rises to the level of achievement we should expect at an international festival and this year's official brochure, the worst I have ever known, will tell you nothing of either company just as it told us nothing of the Japanese Toho Company. As far as the Molière goes, Frank Dunlop might have done worse; he might have invited the latest Comedie Française revival. But for the Belgians to send this would be comparable to our National Theatre sending *She Stoops* from the recent repertoire rather than *Coriolanus* or *Wild Honey*.

Célimène's drawing room, as designed by Thierry Bosquet, is an extravagant outpost of King Louis XIV's court dominated by two bronze cast lions, a central doorway, vast mural tapestries and heavily ornate silver-wrought furniture. The costumes are splendid enough but look as though they have arrived from a museum via the dry cleaner's. Everything here, in fact, is manufactured in some way, not least the passions of Alceste.

At first Jean-Clande Frison sounds right for Alceste. His rasping voice has a sardonic, pained quality that gives way to the exasperated growl of uncontrollable disapproval. The great attraction of Alceste is his magnificently uncultured temperament, his inability to speak anything but what he perceives to be the truth in whatever circumstances. Hence his special appeal to critics. But his objective righteousness is flawed by subjective emotion, to wit, his jealousy over Célimène. M. Frison is swept by occasional rages, but he is not the tragic billiously ridiculous hero of Molière. The role, in fact, demands nothing less than great acting. When Celimène (Gysele Brieuc) turns the tables, the sad chasm that opens between *them* is hardly a crack in the earth.

For the rest, there is too much flouncing around from Oronte (Raoul de Manez), and the gadfly duet of Acaste and Clitandre, done up as red and blue popinjays, is not at all poisonous. I suppose the lesson here is that those who have poured scorn on a creative approach to Molière in *A Wee Touch of Class* are now presented with the Molière they prefer and deserve, even allowing for the fact that there is less room for manoeuvre (unless you are Tony Harrison) with the verse plays than with the prose works.

★

When first staged in Cape Town in February, the Baxter Company *Miss Julie* was performed in the shadow of the Immorality and mixed marriages Acts. The fact that the first legal marriage across the colour line was celebrated in June will not detract from the point of this revival, which is to complicate further the mistress/servant relationship of Miss Julie and John with racial overtones. Sandra Prinsloo is a white and slinkily provocative employer in a black cocktail dress; John Kani, one of my favourite actors but alas not at the top of his form, is a stoical and incipiently militant black slave.

The action is moved to a black and white Expressionist limbo of trick perspectives on New Year's Eve, and Strindberg's mid-summer revels replaced with the red glow of a large stove and the rising crescendo of bongo drums. The seduction *is laced* with Julie's resentful confusion and John's contempt —"the conquest was too easy to be exciting; none of our girls would have opened their legs like that."

The final stages of the play lack psychological conviction in the adopted South African context. Without a sense of doomed carnality, why should the couple even consider crossing the border together; and the killing of the bird is an almost risible magic trick. The final curtain leaves us with a resolute John and a knife-toting Julie leaving to do what she feels to be the decent thing. Again, I was unconvinced. Tragic inevitability has been replaced with *intellectual imposition*.

Atherton and Donohoe/AlbertHall

Dominic Gill

We waited more than half an hour between the second and third pieces of Tuesday night's prom while the piano-lift was mended, and the instrument eventually reached the stage. But it was worth the wait: Peter Donohoe's account of Bartok's second piano concerto, with the BBC Symphony Orchestra under David Atherton, was a remarkable tour de force—bright, tough and brilliant, and in every aim straight as a die.

It did not have the magisterial quality that I remember from Pollini's performance of the same concerto (or that I imagine must have been in Richter's, which I have never heard). But it had marvellous clarity and energy, and unstoppable momentum. Donohoe let us hear more notes of the concerto, perfectly placed, and right up to speed, than many pianists deliver in all three of Bartok's concertos together.

His adagio was of the greatest simplicity and eloquence: deceptive simplicity, wound up to a ghostly whirl of windy sonorities in the slow movement's central part, night-music distilled and deeply touching. In his finale there was the exhilaration of apparently limitless reserves: the fastest blitz octaves, the fiercest fortissimos, the most delicate pianissimo traceries, took him nowhere near his limits.

As a prelude to the concerto in the first half, the orchestra was joined by the BBC Singers for two short choral works. Stravinsky's little *Roi des étoiles* is rarely programmed—but it makes a fine six-minute opener, darkly romantic, sombrely, sparely engaging.

Roberto Gerhard's Cantata "L'Alta naixença del Rei en Jaume" dates from 1932 and the composer's Spanish period. The first two of the five short sections are full of colourful *surprises*, and some unusually deft word-painting; I love the unexpected downwards resolution especially of the final cadence of "Davino." As the Cantata grew to its climax, the invention seemed to grow more patchy, and more predictable, as if the initial energy had somehow, somewhere, been dispersed.

Stravinsky's *Rite* came last. Atherton's reading was modelled closely in spirit upon Boulez's: concise, sharp-cut, gleaming. The effect, especially in the Albert Hall's acoustic, might seem dry—but it was a dryness quite without desiccation. Stravinsky's long lines were never squeezed or laboured: like Boulez, Atherton was intent rather to let clarity of articulation, powerfully constrained, make its own dramatic point. In its own right, secure and forceful but notably as an antidote to the sprawling, indulgent *Rites* of late, it had invigorating presence.

Rossini Opera Festival/Pesaro, Italy

William Weaver

The rediscovery of Rossini's serious operas, which has led in recent years to a number of revivals, recordings, and a host of publications (including the critical edition now in progress) seems to be creating a backlash. At least one Italian critic has written that the comic Rossini remains the best and has truculently deplored the fashion for digging up long-neglected works of grander ambition.

It is hard to agree with this point of view after witnessing the *triumphant* success, both musical and economic, of *Maometto II* at the Rossini Opera Festival, entering its sixth year. Dating from the crucial, fertile Neapolitan period of Rossini's career, *Maometto* is a stirring, affecting masterpiece, rich in occasions for vocal display but also fascinating in its penetration of character and its exploitation of dramatic contrasts. Like most of the Rossini serious operas of those years, *Maometto* was written—in 1820—for the great Isabella Colbran (then the composer's mistress, later his wife): but the opera is not a star vehicle. Rather, it requires a *group of stars*. Pesaro was fortunate in being able to assemble a gifted cast of singers who have worked here before and thus perform together with ease and coherence.

Cecilia Gasdia was an appealing Anna, torn between love and duty, between Venetian father and infidel suitor. During the first act, the lower part of the voice locked body (though there were numerous effective and affecting moments); but then, in the long and heartbreaking final scene, she was in total command of her voice, the stage, and the audience. Opposite her, Samuel Ramey was a Maometto of physical dignity *and vocal strength*.

Calbo, the trouser-role, lies a little low, apparently, for Lucia Valentini Terrani, but she negotiated it with great style and conviction; and—like Gasdia and Ramey—she was awarded a resounding ovation by an audience that filled the lovely Teatro Rossini despite the punishing heat. (Perhaps the continuing success of the festival will persuade the authorities *to consider* air-conditioning.)

The role of Erisso, Anna's father, though *just* as difficult technically as the others, is less rewarding dramatically. Still, the tenor Chris Merritt handled it well. *The young lyric* tenor William Matteuzzi deserves mention for his tasteful, brief appearance as Condulmiero.

As is always the case in Pesaro, this performance was based on a new critical edition of the score, conducted by its editor Claudio Scimone. He was obviously bent on bringing out the subtleties of the splendid score. Sometimes, as in the last act trio for Anna, Calbo, and Erisso, one felt he was being self-indulgent. There was a lack of incisiveness. Still, it *was* a pleasure to be able to listen without having one's attention constantly demanded by the maestro's bravura.

The European Festival Orchestra, an international group, played fluently (a bravo *to the agile first flute*), and the Prague Philharmonic Chorus (prepared by Lubomir Matl) was both strong and sensitive.

Pier Luigi Pizzi staged this *Maometto*, and designed the versatile single set and the vivid costumes. After the supreme silliness of Ronconi's *Viaggio a Rheims* last year, this sensible and sensitive presentation was a relief and a reward for the audience. Here everything supported the music and came from the text. The handsome lead-grey courtyard, with its great columns that framed the action, was the ideal ground for the elegant blue and white costumes of the Venetians, the maroon and *blazing* red for the Turks. Every moment was a joy to see as well as hear.

This staging of *Maometto* is billed as the first in modern times. I cannot believe that some enterprising British or American group — St Pancras? Bloomington? — has not run up at least a workshop presentation. Be that as it may, this revival should establish the importance of the piece, and also bring it out of the shadow of its later, French, version, *Le Siège de Corinthe*. The 1826 tragédie lyrique that Rossini made from the Naples opera *is*, as revivals have shown, a noble work, but many — including this listener — may find *Maometto II* the more immediate, the more engaging of the two operas, both great.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the *Arts appears each Friday*.

August 23–29

Exhibitions

PARIS

Renoir: An important exhibition of the most sensuous of the impressionist painters, who never tired of glorifying the nude feminine body capturing the light, comes to Paris from the Hayward Gallery, London. It consists of some 125 paintings and 50 drawings, including Le Bal du Moulin de la Galette and La Danse à Bougival, Grand Palais, Closed Tue. Ends Sept 2 (261 5410)

Robert and Sonia Delaunay: for the 100th anniversary of their births, his in Paris and hers in the Ukraine, a retrospective of *some 300 objects*, paintings, drawings and decorative projects brings to life their joint pictorial adventure. Whether exploring abstract painting or disarticulating Eiffel Tower images, their colours are vibrant, their *joie de vivre* explosive. Musée d'Art Moderne, 11 ave du Président Wilson. Closed Mon, Wed late closing. Ends Sept 8.

Perfume: An enchanting exhibition in praise of perfume assembles 550 objects, mostly phials, bottles and perfume fountains from the 16th to the 19th century. *Some* were made of Viennese porcelain, others of Bohemian cut glass or from gold and enamel in England. There are silver pomanders with petals opening up and Chelsea china statuettes. They all show exquisite workmanship and some of perfume's power to be... Le Louvre des Antiquaires, 2 Place Palais Royal. Ends Sept 15.

WEST GERMANY

Munich, Staatsgalerie moderner Kunst, Prinzregentenstr. 1: German Art since 1960, 200 paintings, prints and drawings by 13 artists from the private collection of the German Prince Franz of Bavaria. Among them: Beuys, Richter and Kiefer. Ends Sept 15.

Hildesheim, Römer und Pelizaeus-Museum, Am Steine 1-2: Nofret, the exhibition covering Women in Egypt. For its last stop in Germany, the exhibition will carry 177 pieces, an extra 96. Some 30 objects are on loan from the Egyptian Museum in East Berlin. It is the biggest assembly of Pharoan Art. Ends Nov.

Aachen, Suermondt-Ludwig-Museum, Wilhelmstr. 18: 100 drawings, watercolours and plastics from Joseph Beuys, covering the fifties and sixties. Ends Sept 29.

Essen, Villa Huegel, Auf dem Huegel: Turkish culture and art from the Osman Empire. 500 works ranging *from* the 15th-19th centuries. The show includes glass, carpets, ceramics, miniatures and weapons. Ends Oct 10.

Köln, Kunsthalle, Josef-Haubrich-Hof 1: The Fiancee Beloved, Sold, Exchanged, Stolen. The exhibition describes the role of women in different cultures and shows various marriage ceremonies. It also displays *2,000 paintings, photographs* and costumes from various countries through the ages. Ends Oct 10.

ITALY

Florence: Museo Archeologico (Piazza SS. Annunziata) – The Etruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into the Etruscan world. A useful history of this civilization's birth, development and decline. Ends Oct 20.

Florence: Palazzo Pitti (Sala Bianca): Modern masters from the Thyssen-Bornemisza collection: The pleasure to be had *from this* remarkable exhibition is that it reflects the taste and prejudices of one individual: one of the few left who can afford Corot, Manet, Gauguin, Picasso – and who is generous enough to send them to be exhibited in France, England, the U.S., Australia, Japan, and now Italy. This same collection, with a few exceptions, was seen at the Royal Academy in London last autumn. Ends Sept 29.

Rome: Palazzo Venezia (Piazza Venezia 3): Paesaggio Con Figura – 57 works *from* the Borghese collection. The Villa Borghese, which houses one of the best patrician art collections in Rome, is likely to be closed for repairs for at least another year and some of the gems from the collection have been transferred to this site for the summer. Includes works by Titian, Veronese, Domenichino, Caravaggio and Dosso Dossi. Ends Sept 30.

BRUSSELS

Opera costumes from 1959 to the present including Zeffirelli's Rigoletto, Bosquet's Traviata and Karl Ernst Herreman's Clemency of Titus. Musée de Costumes et Dentelle. Until November.

NETHERLANDS

Amsterdam, Rijksmuseum Printroom Continuing its centennial celebrations, the museum has put together a revealing exhibition of 60 of its finest Rembrandt drawings supplemented by a further 60 by anonymous Rembrandt pupils and followers to illustrate the extent of the master's influence. Ends Sept 29.

Amsterdam, Film Museum (Vondel Park 3). French cinema month. This week films by De Broca, Chenal (Clochemerle), Esway, Carné and Clair. (Mon to Thur, all matinée). (831646).

Haarlem, Vishal. 100 of Jacques-Henri *Lartigue's timeless photographs of* moneyed France between the wars. Ends Sept 13.

SPAIN

Santander, Santillana del Mar. The splendour of pre-Colombian culture. Gold exhibits from the Quimbaya Treasure. Fundacion Santillana, Torre de don Borja. Ends Aug 30.

SWITZERLAND

Martigny: *Fondation Pierre Gianadda:* 250 Klee paintings in the striking modern gallery built over the Roman ruins of the city of Octodurus. Ends Nov 3. (026/2 39 78).

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siecle – Klimt, Otto Wagner, Schiele, Kokoschka, Adolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque absolutism) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one *hand and the illusions or fantasies* of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

Asia Society: Japanese art of the supernatural, featuring ghosts and demons that turn themselves into humorous creatures to harass guilty and innocent, are illustrated in prints screens, *small sculptures*, paintings and netsukes from the 17th to 19th centuries. Ends Sept 1.

WASHINGTON

National Gallery (West Bldg): 36 old master paintings from the Dulwich Picture Gallery are exhibited under the title Collection for a King, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. Ends Sept 2.

CHICAGO

Art Institute: Though Edouard Manet made etchings primarily to reproduce and publicise his paintings, he *developed* a unique *style* as shown in the 27 etchings in this special exhibit of more than a third of his total output of 75 etchings. Ends Sept 2.

TOKYO

Masterpieces from Idemitsu Art Gallery: From one of Tokyo's finest private museums belonging to Sazo Idemitsu, the best from an outstanding collection of Oriental ceramics, crafts and paintings. Idemitsu Art Museum, 9th floor of Kokusai Bld, Hibiya. With *magnificient views* overlooking Tokyo's tranquil central (moat and green around Imperial Palace) plus Japanese tea-room. Ends Sept 1, closed Mondays.

Rubens: The first large-scale exhibition of Rubens in Japan. 80 masterpieces of oils and prints, plus works of collaboration with his pupils. Takashimaya Department Store, Nihonbashi. Ends Sept 17. Closed Wed.

Hiroshima Panels: These immense murals depicting the bombing of Hiroshima now number 15 panels and have taken artists Toshi Akamatsu and Iri Maruki 30 years to complete (some of the earlier ones were exhibited in London in the 1950s). The series is on permanent exhibition in a special gallery, an hour's journey from Tokyo. The panels, based on the couple's experience and that of bomb victims, are remarkable for the breadth by which they not only depict Japanese but also foreign victims killed by the blast. A thought-provoking Saturday supplement, Maruki Gallery near Higashi-Matsuyama station on the Tobu-Tojo line from Ikebukuro. (Call 0493-22-1157 for directions in English.) Closed Mondays.

Nelson Freire/Elizabeth Hall

David Murray

Not enough London music-lovers have noticed *Nelson* Freire yet, or so one might guess from the modest audience he drew to South Bank Summer Music on Tuesday night. He is a Brazilian pianist, a regular partner of Martha Argerich; he has a powerful, comprehensive technique which he wields to produce entirely musical sounds. The depth of his tone is impressive even in fast, intricate pieces, partly because his grand-scale dynamics are very subtly graded. He also revels in bold personal *rubato*, so well-sprung as to be convincing in unexpected places.

In short, he is a modern romantic pianist with an unfakeable instinct for his instrument—a pleasure to hear, especially in the enterprising sort of programme he offered this time. He began not with conventional Bach but quasi-Bach by Villa-Lobos (the Prelude of the fourth Bachianas Brasileiras), rich and stately, and followed it with the whole first volume of that composer's *A Prôle do Bébé*. It is a suite of doll-portraits (the dolls are characteristically identified by the materials of which they were made: rubber, clay, papier-maché etc.), vigorously inventive and colourful beyond what you would expect—even on the strength of the only familiar one, the final "Polichinelo." Freire sketched them with tenderness, brilliance and wit.

As much vital imagination was lavished upon the F-sharp minor Sonata of Brahms. Like Elisabeth Leonskaja, Freire treats this expansive music as passionately effusive above all, keeping its formal basis clear but unemphasised; Freire's Brahms, however, is a more headlong pianist-composer. Introverted turnings were marked, but not lingered over. The rhythms were strong, and freely curved.

Among an attractive Chopin group, the early, tiny Three Ecossaises were dazzling. The other pieces—the F-sharp minor *Polonaise*, the *F-Sharp Impromptu* and the second Scherzo—were all inclined to haste, though they had fine communicative flair; I thought Freire a bit neglectful of second-beat stresses (without which the Polonaise missed some of its poise). The rich-textured sound was always satisfying in itself and if the pace was jostled the singing lines never were. Finally, three Albéniz pieces crackled and bubbled just as one expected Freire to make them do. Contrary to the programme-note, by the way, "Navarra" was *not* to have been a "thirteenth" item for *Ibéria*: it was intended as one of the original dozen and Albéniz substituted "Jerez" for it when he decided that its character set it too far apart from the rest of the suite.

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Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

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Market penalty on Pretoria

HABITABLE laagers are extremely hsrd to construct in tbe modern world, as any Latin American dabtor can testify. South Africa is now coming fsce to face with this reality. Foreign investors and banks lose confidence in a country. The country's short-term liquidity evaporates snd its whole internationat payments system threstens to freeze up.

The South African governmeot has, in fact, pre-empted this stata of affairs by freezing the system itself, while it ponders what action to take next. All foreign exchange and security transactions are blocked till next Monday—a state of temporary financial embargo way beyond anything contemplatad by the U.S. Congress. It is a crisis which for the moment overshadows the West's heart-searching about economic sanctions in the last few months.

The government'e action has been prompted by the fall in the rand—down to $0.34 compared with its recent high of $0.54—and by the fall in the Johannesburg stock exchange index of 79 points since its recent high in mid-July of 1,037. Share prices have been undermined by the onset of accelerating net selling hy overseas investors since April. The steepness of tbe rand's fall suggests a more critical loss of confidence involving the international hanks.

Uncertainty

Of that 35 per cent fall in the South African currency, helf has occurred eince August 16, the day of President Botha's much heralded speech to the Natal Congress of his party. The party faithful may have found reassurance in the steadfast way be refused to be driven towards reform, with all its attendant uncertainty, hy pressures from abroad and by violence at home. But the dispassionate financial markets did not share that reassurance. They, like the majority of western governments, were waiting for evidence of a change in strategy and they found none.

Dr Gerhard de Kock, the governor of the South African Reserve bank, has had to answer the markets with a freeze and, of course, the freeze has unsettled them still further as the extreme spreads oo rand quotations in the London market yesterday indicated. He now has to decide whether he can avoid a reversal of the progressive liberalisation of South African exchange controls which began in 1983 and which symbolised South Africa's confidence in its future and more normal economic relations with its trading partners.

Much more pressingly he has to take steps to shore up South Africa's short-term liquidity, which is threatened by mounting unwillingness on the part of Western hankers to roll over those parts of the country's $12bn in short-term debt that fall due as time goes on. Unlike the Latin American cases of the past few years, discussions over South Africa's liquidity crisis — the country's solvency is not yet remotely in question — will be complicated by the political reservations and vulnerability of the banks involved.

Credibility

So in both economic and political terms the South African government finds itself marching relentlessly ioto a narrowing tunnel. The confidence of the markets will only be further undermined hy herdnosed tactics. And as the government tries to reassert its authority by arresting relatively moderate political opponents, like Dr Allan Boesak, and proscribing the Congress of South African Students, it further denies itself the chance of opening some sort of dialogue about South Africa's political future with non-violent blacks.

The onset of this financial crisis has narrowed the options of western governments as well. The handle of powerful economic sanctions is being thrust into their bands whether they like it or not.

They may be tempted to argue that the maintenance of South Africa's trade and prosperity is paramount, for the good of all. But the international markets will not listen. The only way the South African government has a chance of restoring its credihility as a normal participant in the world economy is to o'erleap the mounting internal confrontation with a clear sign that apartheid is to be ended and a new political constitution for South Africa negotiated. The adequately prosperous laager is not and never has been an option.

Democracy on UK railways

THE VOTE hy the railway guards, albeit hy a narrow majority, to reject industrial action over one-man trains is the most startling vindication so far of the Government's trade union legislation, and of the underlying belief that union members, given a voice, are more peaceable and more conscious of commercial reality than their leaders bave often been. It is e stupefying setback for the executive of the National Union of Railwaymen, not so much because its policiee must now be changed, which is an everyday task of any leadership, but because it has proved so totally unaware of what was happening on the ground. It means that the NUR leadership, along with that of many other unions, will have to overhaul the whole way in which it operates; and that is the real purpose of democratising the unions. As they reform, management will in turn he challenged.

The NUR leodership certainly did not lose this vote for want of trying. They have campaigned at shop-floor level up and down the country on a scale never seen before. No doubt their success in getting meetings of unofficial strikers to overturn previous back-to-work decisions convinced them that they were campaigning successfully. This only proves what the Government had always suspected: that the techniques of the shop-floor meeting — the techniques of the demagogue, to use that term quite objectively—will persuade men to do in the heat of the moment what they will reject if given time for private reflection.

Problem

The unions, however, face a very real problem in developing a genuinely representative leadership, as Mr Jeck Jones discovered in the days when he tried to run the transport workers' union on democratic lines. The pressure from below to which he hoped to respond came not from the mass membership but from the militant activists who always provide the manpower for any voluntary organisation—be it a union, a cherity or a political party. One of the problems of leadership is to channel this enthusiasm constructively rather than letting extremism take control.

The activists are not likely to turn, under the pressure of any number of ballots, into a new race of militant moderates; they will remain militants, but will have to learn to hehave moderately. This is not likely to prove easy; militants naturally believe, as Mr Ron Todd, Mr Jones's present successor at the TGWU, has argued, that members are bound to support their policies if only they can be brought to understand them. This natural tendency to believe that one is right, which we all sbare, is reinforced in union leaders by a whole constitution of conference polices and executive decisions which must now be regarded as proposals rather than commitments, and by a whole rhetoric of class warfare and union loyalty. The full conversion to representative leadership is bound to take time.

As this change progresses, however, management will also face a challenge. In too many concerns—a small hut often strategic minority—the years of dealing with militant and often disruptive trade union representatives has brought a sometimes increasingly authoritarian response.

Constructive

Indeed, the present rail dispnte may help to reinforce this response; there will be an unending argument over whetber the management's action in sacking unofficial strikers won the vote for them, or robbed them of a more significant margin for modern working practices. We believe, or at least we hope, that this is only a temporary phase. In the long run the development of genuinely representative union leadership should offer the opportunity to develop the much more constructive labour relations already found in some of the best-run companies in the UK and in many European countries. Democratic progress is won hy effective communication, not by strong-arm methods.

The defeat of the NUR leadership may drive some union leaders to attempt a reargusrd action against the whole Tory notion, as they will describe it, of ballots, hut it seems clear that Mr Neil Kinnock and Mr Norman Willis well understand that thia is a genuinely popular and welcome change which is here to stay. It is an irony thot Mr Kinnock has so far failed to democratise bis own party, and relies on the unions, representative or not, to keep his own militants in check.

AFTER THE BRITISH RAIL VOTE

Roger Taylor, Trevor Humphries

Sir Rober Reid: little doubting his toughness and determination

How Mr Knapp was impaled on a ballot

By David Brindle, Labour Staff

WHEN Mr Jimmy Knapp almost single-hendedly persuaded the National Union of Railwaymen's conference earlier this year to edopt pre-strike ballots, he said: "At the moment they are using the ballot against us, like a sword hanging over us. Let's grah that sword out of their hands and strike them with it!"

Last night, Mr Knapp, the NUR's general secretary, appeared to be impaled on his sword.

The 52.5 per cent majority against industrial action hy guards over driver-only train operation came as little short of a sensation. Not only had the NUR heen predicting a healthy vote for action hut senior British Rail officials had also resigned themselves to such an outcome.

Yesterday afternoon, as the 9,175 secret votes cast for or against were being counted by the Electoral Reform Society, Whitehall experts were still laying friendly wagers on the probability of an all-out rail strike a week hence.

The result bas fundamental implications in three areas. It calls into question the authority within the NUR of Mr Knapp, wbo identified so closely with the balloting policy against the scepticism of fellow left-wingers; it raises doubts over wbether the union can now resist BR's productivity drive on a hroad front; and, perhaps most significantly, it weakens the hand of those wbo will argue at next week's TUC conference that the union movement should embrace hallots and use them positively in all areas of union democracy.

It was the driver-only issue, and the danger of it provoking a national dispute, which Mr Knapp cited in his support wben be convinced his union's cooference in Ayr in June of the wisdom of adopting pre-strike hallots.

His conversion to the ballot cause came after what senior NUR officials admitted was the "fiasco" of a proposed strike on the London Underground in May. Tbe stoppage, called without a ballot in the tradition of the union, attracted poor support and was called off after one day during which 75 per cent of normal tube services were run.

With the policy change under his belt, and after a battle on the left-led NUR executive every bit as tough as the battle he bad fought and won at Ayr, Mr Knapp gained approval for a hallot of guards and set about campsigning for a majority as if he was contesting a general election.

What went wrong? As Mr Knapp stomped the country, addressing guards' rallies and winnnig media coverage in a campaign which proved surprisingly slick, the union appeared to be making all the running and leaving BR trailing in its wake.

Certainly the union was coming out on top in the struggle for public opinion: the issue of passenger safety on driver-only trains, and the claims of BR's interference in the democratic process of ballotting, made great gains in terms of popular sympathy. Below this, however, a quite different reaction was occurring among the guards themselves.

The pundits should have been alerted by the only moderate attendances at the NUR's guards' rallies and, perhaps, by the decidely lukewarm response to the call for an unofficial one-day strike in the traditionally-militant Doncaster area last Monday.

The reality was that only a small minority of the 11,000 guards were to be affected by BR's current five-year plans for driver-only operation. As BR emphasised time and again, a total of 1,760 jobs would go and, as it wrote to each guard before the ballot, there was a guarantee of continned employment for every guard who wished to stay.

As guards pondered where to mark their "X" on their ballot papers, they must also bave reflected deeply on BR's dismissal of 245 guards who etaged unofficial strike action and on its unprecedentedly hard-line move to advertise their jobs.

Where does the NUR's calamity leave Mr Knapp? Squeezed as he is between the Right and his erstwhile allies on the hard Left on the union's executive, he would appear to be in for a bashing. Undouhtedly, he will face bitter criticism from left-wingers who argued all along for a traditional atrike call, without a ballot and enforced by flying pickets as required.

However, the Right will take the view that the rank-and-file has spoken just as it ought to have done: Mr Knapp will be seen on that side to have saved the union from an embarrassing ill-supported dispute and will live to fight another day.

What are the consequences for BR's productivity measures? Quite opart from driver-only operation, the aim is to make progress on other long-standing reforms, such as development of the "trainman" concept, bridging the gap between drivers and guards, and removal of more drivers' assistants from locomotive cabs — an issue concerning both the NUR and the drivers' union Aslef.

The signs last night were that the NUR was poised to move to delete its standing conference resolution of opposition to discussion of such measures. While the union is far from down and out — indeed, long and difficult negotiations lie ahead — the key to the bargaining room door would seem to have been turned by yesterday's result.

Finally, what of the impact on the wider labour movement? Although the guards' verdict once again deals a bloody nose to militants who believe the proletariat is bursting to take industrial action, it at the same time strengthens the argument of those on the Left who contend that balloting undermines the natural momentum of a dispute.

The pro-ballot faction in the upper reaches of the labour movement had seen the arrival in its camp of the NUR es one of the most significant developments since the miners' strike. Much would have been made of the success of the union's step-by-step approach in the TUC's crucial debate next week on relaxing opposition to the Government's employment law.

As it is, Mr Arthur Scargill, not known for his enthusiasm tor pre-strike hallots, may well have had a wry smile to himself last night.

SURPRISE VINDICATION OF REID'S TOUGH LINE

ONLY hours before yesterday's shock vote against industrial action by British Rail guards, Sir Robert Reid, BR's chairman, was gearing himself up for battle and promising that this time he and his senior managers would not be prepared to compromise.

"The railways have been protected for too long, and in the past the management just kept on compromising and running away from the real issues," he said. "In 1982 we won a colossal victory when the Railway Staff Nstional Trihunal ruled against the unions and in favour of driver-only operated trains on the Bedford to St Pancras line. And what happened? We compromised yet again. There was total confusion as to what had actually been agreed.

"This time we are determined that won't happen. This time we must get a clear-cut solution."

By late afternoon, Sir Robert had got his solution. To the amazement of most observers and of practically the entire British Rail management team, the National Union of Railwaymen's ballot had produced a clear majority against industrial action over plans to introduce more driver-only trains.

Sir Robert explained yesterday that the beart of the dispute lay in the NUR's two-year-old conference resolution which not only bans discussion of any extension of driver-only trains, but also states flatly that the union is "not to enter into any further talks on productivity."

"Tbe dispute now is not just about the issue of driver-only operated trains," Sir Robert said. "It's about that resolutioo. We're not going to he ahle to make any changes while that resolution is there. The union has said effectively that on no account are we going forward. But we are determioed to take this industry forward

Sir Robert added that there were many other changes BR wanted to make to improve the efficieocy of the railways. One that is already in the pipeline is a new maintenance schedule for signalling which will involve fewer staff and which is also expected to provoke unioo resistance. But it is precisely because of the need to avoid lengthy battles over every proposed reform that BR's management has been determined to do battle over the issue of driver-only trains.

"We've tried persuasion snd we've failed," Sir Robert said. "So we've had to say: 'Right, we're going to do it'."

BR's management has been backing its hard line witb various threats. Last month BR announced losses—after the payment of over £1hn in grants—of £408m for the 15 months to March 1985. The loss figore was inflated by a £102m allowance for restructuring British Rail Engineering over the next five years—a move that is widely believed to have been intended to frighten the unions.

At the same time, Sir Rohert talked about the threat to jobs io BR's freight business as a result of the £250m lost because of the year-long coal strike. In the run-up to yesterday's ballot be bad talked of sbutting the eotire rail network if necessary and of cutting BR's £1hn investment programme.

Yet the fact of the matter was that until yesterday the threats seemed to have little impact, even when carried out. Towards the end of the miners' strike, for example, BR cancelled orders for 32 freight locomotives worth just under £1m apiece. But neither that nor all the talk of the risk of jobs in the freight sector prevented "self-inflicted" losses of £70m caused by railmen refusing to move coal, iron ore and oil because of sympathy for the mioers.

"Things like the cancelling of new locomotives are fsirly slow to come through and the ordinary railman doesn't see them," Sir Robert said, adding that when it came to joh losses: "Perbaps people's won't believe it until its actually happens."

But BR's top management insisted that it was not buffing this time. Sir Robert said BR already had contingency plans for "cash conservatioo" in the event of a prolonged dispute. Investment contracts in all five of the railway husiness sectors would bave been "looked at very carefully." Sir Robert believed BR could not emerge from a lengthy fight against its unlons with the rail network unscathed. Some routes would almost certainly have to have been closed.

Before the result of the ballot was known, Sir Robert was insisting that BR had thought out contingency plans for a range of possibilities, including guerrilla tactics by the NUR. As an example he cited the managemeot's decision to sack guards who walked out. He said yesterday that this had been a "horrible thing to have to do," but insisted that it was necessary for the sake of BR's commercial future.

The overall aim is to reduce the Public Service Ohligation—the grant from central Government—by 25 per cent in real terms compared with what it was in 1983. The scheduled date for achieving the cut is the end of 1986.

But Sir Robert also said that he did not need the savings from a wider use of driver-only trains to reach his target cut in the PSO. Other improvements in efficiency, including the removal of an entire 6,000-strong layer of management which brought savings of £80m, should enable bim to do that—always providing BR escapes a major shutdown of its network. What persuaded him to take up the cudgels over driver-only trains was concern abont the future of the railway in the longer term.

"We sorted ourselves out in 1983 — and then came the miners' strike," Sir Robert said. "We recovered from that and in the spring of this year our forecasts suggested that our income from passengers over the next 12 months would be £40m higher than we had originally expected. And then the unions made it clear that they want to go and commit hara-kiri yet again.

"This has not just been a straight management-union fight — our customers are involved too. We have no monopoly on transport. We are vulnerable to competition. And by playing with our customers, the unions are also playing with BR's future."

Last night it appeared that that message had been received.

Sue Cameron

Men and Matters

Gatenby's early take-off

Life — and the City Revolution — must go on, it seems, even while Britisb Airways' privatisation remains grounded from one year to the next. Michael Gatenby, who beaded the Hill Samuel team advising the transport department on BA's sale, is leeving to become head of corporate finance at Charterhouse Japhet.

"Having been on the runway so long, I'd like to have been there at the take-off," said Gatenby yesterday — but he will be watching BA's progress with interest next year. He is surely the longest serving adviser to the sale, having been brought in by John Nott in 1979 to get the airline into the private sector, "within a couple of years or so."

Robert Clarke, Hill Samuel's cbairman, has probably not had difficulty calming fears in Whiteball about the undoubted gap left hy Gatenhy.

Work on the privatisation has only just begun to regain its old momentum. The bank's reorganised team should be ahle to make a timely re-entry.

Gatenby's arrival at Charterbouse will meet one sad and unexpected need following the death last week of John Hyde, the bank's 57-year-old chairman.

The appointment of the new man should allow Victor Blank, Charterhouse's chief executive, to relinquish some of his corporate finance responsibilities and concentrate on the top joh, whicb be formerly shared with Hyde.

Managing growth at Charterbouse is certainly looking a full-time job. The corporate finance department has almost donbled over the last three years to 32 executives. And the bank'e acquisition by Royal Bank of Scotland in February has dangled some enticing growth prospects in front of it.

Gatenby readily edmits these had much to do with his decision to move. Formerly with Peat Marwick and "top boy" in the national accountancy exams in 1968, be has been with Hill Samuel since 1971. But the chance to belp make Charterhouse a key vehicle for the Royal Bank's expansion was evidently too good to turn down — even at BA's expense.

"At least they might let us travel in the empty guard's van in the future"

Tailed

When Alan Bond succeeded in his take-over hid for the Perth-based Swan Brewery five years or so ago, the managing director at the time was Lloyd Zampetti. The two men did not take to one another. Harsh words were spoken in puhlic and Zampetti departed.

He went to the east coast of Australie and another hrewery joh becoming chief executive of Castlemeine Toobey, the Brishane beer firm bought earlier this week by Bond. Would history repeat itself, observers wondered?

Bond gave the answer during a live TV interview. Would Zampetti be taking another walk? asked the interviewer. "I very much expect so," said Australia's biggest brewer—and a smile slid across the face of the tiger.

Long stint

A strong candidate to the claim that it was the first industrial newspaper is the weekly Mining Journal which is 150 years old today.

The journal even pre-dates the FT by almost 53 years.

Herbert C. Hoover gained useful mining experience while managing the old Sons of Gwalia gold mine near Leonora in Western Australia. He went on to be a leading mining consultant, and lennched the Mining Magazine—the Journal'e monthly stable-mate—in 1909. That did not satisfy his ambition, however, and he continued travelling to become 32nd president of the United States.

Hoover was a great champion of mines and miners. So was Henry English, the first editor-proprietor of the Mining Journal, and his successors down to todey's chairman and editorial director, Michael West, who claims readers in 136 countries.

Grass roots

WHY should the UK arm of a Norwegian-based energy company with an Australian mansging director sponsor villege cricket in Britain? The answer lies in the soil.

Harry Blackburn, managing director of Norsk Hydro Fertilisers, spoke yesterdsy about his company's entry into the village cricket championship—finals at Lord's on Sunday—taking over from Haig and Whitbread.

"I always wanted to be a singer," be said, "bnt found I couldn't sing very well. Then I wanted to be a cricketer and found I couldn't play cricket very well. But now my company has got a foot in cricket."

Blackburn was born in Barking, Essex, went to Australia in 1968 and became a citizen ("I remember swearing allegience to Queen Elizabeth the First of Australia"; and then hack to Britain in 1978 to Fisons whose fertiliser operations were taken over by Norsk Hydro.

Norsk's involvement with cricket will continue for the next two or three years. The company sees it as a tighter link with the farming community where it sells its products.

Shop assistance

One wonders what the reaction of the present-day owners of Harrods would be to the largesse of Charles Digby Harrod, son nf Henry Charles Harrod, founder of the Knightsbridge firm.

By all accounts, Charles Digby, who joined the business in 1861, was an extremely hard-working and ambitious man. He expected similar dedication from his staff, stressing tbey should always arrive at work with clean faces.

But be was not without his compassionate side. "If he saw a regular customer in financial embarrassment he was known to waive the hill entirely, murmuring to his salesman, "See that he has what he needs and send the hill to me."

I gleaned these bistorical footnotes from tha new Harrods Cookery Book. It will cost you £15, however financially embarrassed you may be.

Flighty tastes

The retirement planning magazine *Choice* has an advertisement from an "Almost vegetarian ledy (50s)" who "enjoys budgerigars . . ."

Observer

girl—mole, perhaps (9) London NW11.

The Baron. 6.30 News. 6.40 Appeal. 6.45 Mary O'Hara and Friends. 7.15 | 1.30 Farming Outlook. 2.30 Film: "Botany Bay," starring James Mason | Scotsport. 6.00 Wild Heritage. 8.30 Chips. 11.45 Reflections. 11.50 Golf | Hart. 11.45 That's Hollywood. 12.15 am Company. | Challis (S). 3.00-4.00 Gloria Hunniford Presents Two's Best (S).

International banking

Deregulation gains that add up to zero

By John Plender

CENTRAL BANKERS have a professional interest in sounding cautionary notes. But even by their own standards they ere beginning to sound a mite jumpy. We are, according to the Bank for International Settlements in its latest annual report, in a "situation with no historical precedent"; one, moreover, where the central bankers' bank believes that "no guide to analysis can be found in past experience."

This warning refers primarily to the rapid internationalisation of the world's capital markets, which dramatically loosened the central bankers' grip on both monetary policy and banking supervision. It is widely echoed by individual central bankers, one of whom remarked to ma recently thet he and his colleagues felt "e certain humility" in confronting tha task of supervision in view of the extraordinary pace of change in today's increasingly deregulated markets.

Clearly a very powerful genie has been let out of the bottle. But why? And how serious e threat does it pose to the financial structure?

The simplest way to epproach these questions is to look at the changing nature of competition in the banking sector. In the immediate post-war period there was a widespread view that competition in banking was potentially destabilising and thus a bed thing. But by the late 1960s this presumption started to break down in the

A powerful genie has been let out of the bottle

developed countries; controls on interest rates were progressively scrapped on grounds of market efficiency.

If the process got out of hand in the 1970s, when it suited governments and central banks to have the private banking sector play an imprudently large part in recycling Opec'a financiel surpluses, there have been no revisionist second thoughts. The regulatory response to the debt crisis has been to call for stronger belance sheets, not restraints on *competition.*

In the 1980s competition has moved onto e wbolly different plane—and not merely because sophisticated telecommunications and the *lifting of exchange* controls have eroded the importance of netional boundaries in international finance. The novelty lies in the way deregulation *has* become an instrument of international economic policy, a competitive — and risky—governmental response to the problems, first, of an unbalanced economic cycle in which exchange rates are seriously misaligned and, second, of low growth.

The most obvious example of the first type of response is the role played by deregulation in 1980 to relax exchange controls. This move in reection to the huge surplus on Japan's current account of the balance of payments was intended to curb the associated rise in the value of the yen.

There followed a huge outflow of private capital as Japan's savers forsook low returns in heavily regulated domestic markets for tha higher yields available on dollar assets. But by contributing to a stronger dollar against the yen, the outflow exacerbated the trade *imbalance* between the U.S. and Jepan. By 1983 the U.S. was pressing for the deregulation of Japanese interest rates, apparently on the assumption that higher Jepanese rates would cause the yen to rise and Japanese exports to fall.

The competitive logic was perverse: the U.S. could not readily have financed its budget deficit in a non-inflationary way without eccess to Japan's savings. It also ran counter to other liberalising measures of a *different kind — such as the* ebolition by the U.S. of withbolding tax on income paid to foreigners — which were intended not only to ease the strain imposed by President Reagan'a budget deficit on financial markets but to promole the interests of U.S. banks.

Such promotion, in which governments and central banks seek increasingly to "sponsor" the financial sector much as governments sponsor textiles or agriculture, is really an extension of the freeport principle. The aim is to win a growing share of business by offering a less restrictive banking environment than the international opposition. Gamesmanship of this kind has long been exploited by the Bank of England in promoting London's role as an international financial centre. But others are learning the rules.

The setting up in 1981 of International Banking Facilities (IBFs)—an artificially created offshore banking sector enjoying exemption from banking controle such as reserve requirements—has won considerable amounts of dollar business back to the U.S. from Caribbean financial centres, if not from Europe. But the removal of withholding tax in 1984 has had more far-reaching effects.

Salomon Brothers argue that the change has contributed to a narrowing in the yield differential between Eurodollar bonds and domestic U.S. bonds to the point where international borrowers are finding the U.S. domestic market more ettractive *than hitherto.*

The competitive response in Europe has been interesting, especially in West Germany, which was, in the 1970s, reluctant to see an expansion in the reserve role of the D-mark. As well as abolishing withholding tax on bond income paid to foreigners last year, the authorities have allowed foreign banks incorporated in West Germany to lead manage D-mark foreign bond issues, previously the protected preserve of a domestic cartel. The *Bundesbank is actively seeking* a bigger share of foreign markets for West German banks. And it now regards capital inflows as a healthy indication of confidence in the country's economic and monetary policies.

The Japanese, meanwhile, see a lncrative role for Tokyo as an international financial centre as the yen has been forced to take on an expanded role in international markets. And banking itself is becoming e contentious issue in European trade policy as the British, the West Germans and others demand reciprocity in Japanese markets.

The attractions of competitive financial deregulation to governments in Europe and Jepan as they doggedly pursue fiscal caution in the face of a slowdown in the world'a motor economy, the U.S., are all too *obvious.* Deregulation appears to offer the prize of jobs in the fashionable service sector and increased tax revenues from international financiers.

Yet the game *is* a sterile response to the wider economic problem because it is zero-sum. When Deutsche Bank decided to move its non-D-Mark Euro*market business* to London last year Britain won and West Germany lost. There was no increase in jobs in the aggregate: only a severe psychological shock for the Bundesbank, which sharpened its enthusiasm for deregulation.

It is also e moot point whether competitive deregulation and effective supervision are at all compatible. Any attempt to clamp down on imprudent financial practice risks driving business and jobs away to other more lightly regulated centres. And the risks are compounded because deregulation takes place against a background of weak bank balance sheets following the debt crisis and the last recession.

A crucial feature of the internationalisation of capital markets has been that it provides both borrowers and lenders with e means of breaking through the impasse of undercapitalisation. Swaps, which are now a central element in Euromarket activity, permit corporate treasurers to make maximum use not only of their own, but of other companies', unused borrowing capacity in any given currency.

But the enlarged capital markets heve also proved e fertile seed-bed for forms of innovation whose sole purpose is to beat the bank regulator. And the much-discussed phenomenon of securitisation, whereby *lending* is packaged into marketable commercial paper, removes good credit risks from bank balance sheets and leaves poor risks on them.

New instruments such as note issuance facilities (NIFs) which can involve a number of banks in providing different forms of credit in a single package, entail the provision of guarantees which could theoretically be called simultaneously. Of around $40bn of such paper in issue, only 10 to 20 per cent is estimated to have been drawn down. This central bankers' nightmare is compounded by the extraordinary fact that there is great uncertainty as to which of the banks involved a given Euronote have accepted how much *of the risk, if any.*

All this puts an increased premium on capital adequacy and on central bank co-ordination. But some central bankers themselves are not past resorting to zero-sum games in the attempt to export problems of undercapitalisation from one country to another. A case in point is the Bank of England'e decision to let British banks count perpetual floating rate notes (such as Midland's $\$1\frac{1}{4}$bn issue this month) as part of their primary capital, while simultaneously insisting thet the notes should count as a deduction from primary capital if they are bought by fellow British banks. Other bank supervisors, notably the Japanese, *impose no such caveat.* So a measure designed to prevent e domino effect in British banking has extended the range of the dominoes into the international arena as Japanese banks buy British bank bonds.

At the other end of the scale considerable international discussion on a host of subjects including note issuance facilities

Reconciling fat profits with thin balance sheets

is taking place nnder the *auspices of the BIS's banking* supervision committee in Basle. But as the supervisors struggle to reach agreement, sharpwitted Eurobankers are already concocting new successor instruments designed to reconcile fat profits with thin balance sheets.

When confronted with this uncomfortable reality, the central banker's line of last resort is that self-discipline is the supreme banking virtue. A case of whistling to keep the spirits up? Not quite—because for the first time in many years *another kind of financial discipline* is re-entering the banking world by the back door. With bank loans increasingly taking the form of marketable paper there can be no more fudging when countries or companies run into trouble: the market will rapidly reflect changes in credit status by marking the paper to e discount.

The central bankers will still have to pick up the pieces. But retribution for the imprudent will be swifter.

Lombard

The alternative to TINA

By Anatole Kaletsky

SUPERFICIALLY there may be all the difference between President *Reagan's freewheeling* budget deficits and the fiscal ascetism of Chancellor Kohl'e Germany. But the conservative economic movements throughout the world heve had one all-important feature in common, expressed in Mrs Margaret Thatcher's favourite slogan—There Is No Alternative or TINA. During electoral periods, like the one epproaching in the next year or two in most of tha major industrialised countries, TINA is apt to reappear in another guise: all other policies have been tried and failed.

Most academic economists have ridiculed and denounced the TINA doctrine from its inception. But among economic officials, even those with no political *affiliations, TINA's* "tried and failed" version has been surprisingly popular, despite the fact that the analysis of policy alternatives was once the very essence of these people's jobs. It comes as a welcome change therefore thet a book* published last month by three senior economists from the Organisation for Economic Co-operation and *Development turns out* to be a clear ettack on TINA, despite its ponderously uncontroversial title.

The OECD anthors start with the *incontrovertible* fact that the period of "tried and failed policies" was in fact a golden age for world economic performance, whether measured in terms of GNP growth, employment, inflation, productivity or trade. Of course, broadly Keynesian policies in America and Britain, transmitted to other countries through fixed exchange rates, flexible monetary policy and free trade, did not succeed in eliminating all varietions in employment and output. Bnt these fluctuations *took place* within an extraordinarily strong and stable medium-term trend of growth. Since the "tried and failed" policies were progressively jettisoned after the abandonment of fixed exchange rates in the early 1970s, world economic growth has fallen to its long-term trend of $2\frac{1}{2}$ per cent from 1870 to 1950—less than half the 4.9 per cent rate registered in 1950-73.

This historical experience has never sufficed to refnte the TINA doctrine because "the very success of stabilisation policy may have slowly but steadily built up an inflation problem which was to manifest itself fully only in the 1970s," the anthors point out. Bnt even if it is accepted that the conquest of inflation had to become the top priority of the 1980s, did this require the tunnel vision of TINA?

The authors object to TINA not on the standard neo-Keynesian grounds that inflation is ultimately e political phenomenon which should be solved by social consensus on the distribution of income and wealth. Rather they argue that tunnel vision of any kind is undesirable.

The history of the last decada is littered with government decisions to give "absolute priority" to one policy instrument or another in the effort to curb inflation. Economic forecasts which have pointed to costs or dangers of these approaches have frequently been brushed aside — governments promised to change bebaviour and preferred to ignore projections based on past economic *relationships.*

Governments can evoid excessive fine tuning without "becoming tone deaf," the OECD authors ergue by broadening their economic policies in three specific directions. They can show greater awareness of the costs of disinflation and the time lags forecast by econometric models. They can try to use a greater multiplicity of policy instruments, instead of announcing simple, one-dimensional targets. And they must recognise thet fruitful *co-ordination* of international policies may amount to more than simple "convergence" around a single set of policies which may only amplify the inflationary or deflationary pressures in each individual country.

These ere all excellent recommendations. But only if they abendon the political philosophy of TINA will governments which try them out win praise for flexibility, instead of being blamed for confusion.

* *Economic Forecasting and Policy — the International Dimension by John Llewellyn, Stephen Potter and Lee Samuelson; Routledge & Keegan Paul.*

Survival of the unfittest

From Mr P. Darwin

Sir,—Modern warfare puts *man* against nature in that it is the fittest who are killed off —anti-evolution. The same is happening in the City. Certain Pension Funds a group which have so lamentably failed employees by not reacting to the problem of the eerly leaver are trying to rape the investment trust industry. Of course there are good and bad investment trusts. The pension funds obviously want the best. No one need worry ebout the bad. But when the best are ettacked it is time to cry halt.

The good *investment trust* is probebly the best long-term investment for the private individual there is, save only his house. It is, however, a long-term investment. Just as it is possible for the smooth talking second-hand car salesman to make one buy the wrong car, or estate agent the wrong house, so it is possible for the expert hired edviser to play down his hired status and to talk the gullible private investor into acting against his best long-term interests.

Whet the country needs from the City is capital for new industry. Though there are shining exceptions, the pension funds as e whole prefer to provide capital to large old quoted companies rather than to new emerging ones. Per contra, the investments trusts as a whole have been intelligent and successful in the provision of long-term equity cepital for smaller ones.

If the City spends its energies in internecine warfare it will be letting industry down. Takeovers of industrial companies are our way of ensuring that better management replaces worse. Takeovers of well run investment *trusts* by pension *funds* that beve been unable or insufficiently skilful to build up their own portfolio is a way of ensuring thet bad management drives out good. This opportunity comes from a distortion *in the market* created by the special treatment accorded to pension funds.

The current bid by tha Merchant Nevy Officers' Pension Fund for Murray Growth has inspired these thoughts. One does not know whether MNOPF, not subject to public scrutiny, is well managed. One does know that Murray Growth is. *Its figures show* it.

Investment trusts to produce good results need to recruit and retain good managers: if when they have done so, and built up a good portfolio they are to see the fruits of their labour snatched from them they will be unable to do this. New industry will be the loser. Ironic perhaps with the phasing out of the state earnings related pension scheme likely to increase demand for trust shares, as will any switch to personal and portable pensions. The discount may well disappear as a result of pressure on the demand side as it has in the USA since the introduction of the personal investment retirement annuity—as mentioned in the excellent Lex comment on August 27.

P. W. Darwin.
4 Gore Street, SW7.

Letters to the Editor

Site value rating

From (Dr) J. Catch

Sir,—Dr Sandilands' letter (August 22) invites comment. *He writes:* "the *benefit* principle operates: those who occupy more valuable sites invariably enjoy greater amenities and are properly asked to make greater contributions."

I infer that "amenity" is here a technical term meaning "enhancement of value arising from expenditure by local government." In this area of outstanding natural beauty the high value of housing land does not so arise; it is the result of natural beauty and the metropolitan and great central railways.

The owner of a "valuable site" bas already paid for the "amenity" in the high purchase price. If he uses it profitably he will continue to pay all kinds of taxes. There is no justification for charging him excessive rates for his local government services. One might with equal propriety charge *him more for his vehicle tax.*

No, Sir; a *per capita tax* would sharpen the thinking of local voters about the costs of services (which are basically *population-related) and who* pays for them.

(Dr) J. R. Catch.
"Wreyland," Broombarn Lane, Great Missenden, Bucks.

Colliery closures

From Professor D. Myddelton

Sir,—Would it be painting too rosy a picture to suggest that the art of accountancy has advanced during the present century? If not, I suppose Dr Hudson'e call (August 22) for a moratorium on pit closures might have been even more appropriate in 1913 than he thinks it is now. But does be seriously believe it would make economic sense to be keeping open today all the more than 3,000 Britisb mines thet were operating in 1913?

It will be interesting to see whether the forthcoming report by a group of distinguished senior accountants is as respectful about the analysis by "eccountants such as Berry et al" as is non-accountant Dr Hudson. As for Glyn, surely the Marxist analysis of the coal industry'e position has been somewhat discredited by Mr Scargill.

The 1983 report of the Monopolies and Mergers Commission (with which Dr Hudson claims to be familiar) expressly says (para 19.23): "It would not be appropriate for us to define precisely the way in which the NCB should reduce excess capacity in high cost collieries. We do not attempt to specify . . . what individual collieries should be involved." Indeed the report says: "There is . . . a lack of the necessary information that would enable the *management to base its decisions* on . . . the real profitability or otherwise of individual operations." It is not clear, therefore, what Dr Hudson is talking about when he refers to the MMC's "procedures for deciding upon the profitability or otherwise of e colliery."

(Professor) D. R. Myddelton,
Cranfield School of Management,
Cranfield, Beds.

Railway morale

From the Chairman, South East Essex Rail Travellers Assocation.

Sir,—Mr A. Scott (August 22) touches on a point that has been totally ignored in the current debate on the railways. I talk to a cross section of railwaymen and managers and over the last last two or three years one theme has become increasingly dominant, the potentially catastrophic collapse of morale at all levels in British Rail.

In privete conversation many BR managers openly admit that morale throughout the industry is et rock bottom. It is claimed that should the economy improve, with a commensurate fall in the number of the unemployed, then railwaymen *will leave* the industry in buge numbers. Indeed I have been told that such would be the exodus that BR would be unable to provide any sort of service *over large sections* of the rail network.

Even with current levels of unemployment many are attempting to leave railway employment. Stories ebound of voluntary redundancy schemes designed to reduce staff numbers by, say, 5 per cent attracting applications from more than 50 per cent of the *staff* at a depot. One depot in Essex is due to be closed in the near future and the staff receive constant requests from drivers at *other depots* to exchange jobs. The reason being to enable them to leave the industry with redundancy money.

The concern of Sir Robert Reid and Mr Jimmy Knapp should be not with how many staff are needed to operate a train but rather how to ensure that there will be anybody left *to do the job* in the near future.

Terence R. Lake,
45, Ashingdon Road, Rochford, Essex.

The computer stakes

From Mr E. R. Honnor

Sir,—I think many readers will have shared, if to a lesser extent, Mr Lanciault'e experience (August 24) of tragi-comic *correspondence* with American Express.

But I have a new name—and an unexpected one—to enter in the uncomprehending computer stakes. *Marks and Spencer.*

Heavily handicapped by a hitherto deserved repntation for efficiency, they have nonetheless set a cracking pace with their late runner, Chargecard. Well named, indeed, since it only makes charges and rejects credits. After just three furlongs—otherwise known as monthly accounts—I am tipping Chargecard as a really promising newcomer.

Some 600,000 punters have already put their money on Chargecard. Clearly many have had similar experiences to my own since the latest message from tha Chester stabla is that the "enclosed account" is almost certainly incorrect or incomplete.

And they are right. It's both. And for the third month running.

I hava addressed myself to the tRAYNER as well as to his stable lads . . . but to no avail. Still the compular presses on regardless.

So I urge readers to place their bets *before it's too late.* American Express may look good in the form book but some knowledgeable money is already riding on Marks and SPencer's Chargecard.

Roy Honnor,
25, Pembroke Square, W8.

FINANCIAL TIMES
Thursday August 29 1985

DEFENCE COMPANIES IMPATIENT OVER LACK OF AGREEMENT

UK delays star wars contracts

BY PETER MARSH IN LONDON

THE UK Government is asking defence contractors to refrain from completing technology deals related to the U.S. Strategic Defence Initiative – star wars – until Whitehall and the U.S. Defence Department have agreed general terms for British participation in the $26bn programme.

Although most British companies interested to joining the project can see the advantages of a joint approach co-ordinated by Whitehall, some are impatient at the delays in reaching agreement on issues such as the amount of casb the U.S. will spend with British contractors and the rules over commercial rights to star wars technologies.

The delays might, according to some observers, jeopardise the chances of British companies gaining star wars contracts, in areas such as guided missiles and electronic control systems, that result from cootractors' own contacts either with the Pentagon or U.S. defence groups.

Software Sciences, a specialist computer company owned by Thorn EMI, would be prepared to sign contracts over star wars ahead of any agreement between the UK and U.S. governments, according to Mr Chris Musgrave, defence sales marketing manager for the company.

"Wa are not waiting for the discussions to finish," Mr Musgrave said yesterday. "Our view is that these could go on for ever."

Software Sciences is discussing collaborative projects with several U.S. defence contractors already working on aspects of the star war programme.

Ferranti, the electronics group, is probably further ahead than any other UK company in finalising a contract with the Pentagon's Strategic Defence Initiative Organisation.

Ferranti Computer Systems has a draft agreement with the SDI Organisation under which it would work on optical computing techniques with two groups of academic researchers, from Heriot-Watt University in Edinburgh and the University of Dayton in Ohio.

Under the agreement, the three groups would receive about $350,000 from the Pentagon in an initial contract to last until the end of the year. The work would attempt to build prototypes of optical computers – very fast machines that process instructions using coded pulses of light – using techniques developed by a scientific team in Edinburgh led by Professor Desmond Smith.

The contract on optical computers, which could play a part in controlling weaponry to shoot down Soviet weapons as part of an operational star wars system, was held up after the UK Ministry of Defence told Ferranti it would be "unwise" to proceed.

The U.S. Defence Department has agreed to delay the contract until negotiations over the wider issues of star wars are completed, probably in October or November. "We are doing this as a courtesy to the UK Government," said Dr James Ionson, director of the innovative science and technology office of the SDI Organisation.

The main concern at the UK Defence Ministry is that companies might enter agreements over star wars without proper provision over ownership of technologies that result from the work.

Ferranti says it would go ahead with a contract on the stipulation that the company would share with the U.S. Defence Department the rights to market technologies developed from the programme. Such an agreement would prohibit the Pentagon from handing over a licence on, say, switches for optical computers to a third party such as a rival U.S. defence contractor.

The British company has shown some unhappiness that the delays in signing a contract might give competitors in the U.S. electronics industry an edge in developing commercial products from optical computing techniques.

The Defence Ministry in London is attempting to co-ordinate the activities over star wars of a group of defence companies, led by British Aerospace and known in Whitehall as "the consortium", which have said they are happy to follow the UK Government's lead in negotiations with the U.S.

The group's other members include Racal, Hunting, Plessey, Logica, Scicon, CAP, MEL (a defence company owned by Philips), Rolls-Royce, Ferranti, Marconi, Barr and Stroud and Shorts.

Mr Ian Sutherland, managing director of Marconi Projects, who is in charge of the Marconi group's activities related to star wars, said the Government should take a lead in "establishing an environment" in which companies could participate in the programme.

Sweden, Denmark to make ammonia from coal

By Kevin Done, Nordic Editor, in Stockholm

A GROUP of Swedish and Danish companies are to build the world's biggest coal gasification plant for the production of ammonia in a project that is expected to cost around SKr 3.5bn ($425m).

The plants, which will consume about 900,000 tonnes of coal a year supplied chiefly from the world market, will produce more than 450,000 tonnes a year of ammonia, chiefly for use as a feedstock for fertiliser.

The main participants in the scheme, one of the most ambitious onshore industrial projects mounted in Scandinavia in recent years, will include Aga, the Swedish industrial gas group, A. Johnson & Co., the privately owned Swedish trading and industrial group, and the state-owned Swedish Investment Bank.

Doubts have been expressed previously about the commercial viability of coal-based ammonia production. The participants claim, however, that the scheme has been made economically feasible by a contract agreed with the city of Stockholm to supply the large amounts of waste heat from the gasification process to the city's district heating system.

It is claimed that the project will improve the Swedish current account of the balance of payments by about SKr 1bn a year. Sweden currently imports around 80 per cent of its ammonia needs, and the whole Nordic region imports some 1m tonnes a year of ammonia.

The new industrial complex is to be located at Nynäshamn, south of Stockholm on the east coast of Sweden. Construction is due to begin in mid-1986 and should be completed by late 1989.

The four main participants announced that they are to form a joint company, Nynas Energy Chemicals Complex (NEX), which will have a starting capital of SKr 500m.

Aga is to take a 30 per cent shareholding, Superfos will take a 20 per cent stake with an option on a further 10 per cent, and an additional 30 per cent will be held by a joint company formed by the Swedish Investment Bank and A. Johnson. Shareholders are still being sought to hold the remaining 10 to 20 per cent stake.

The overwhelming share of the ammonia, probably up to 90 per cent, will be bought under a long-term contract by Superfos, one of the leading European fertiliser companies.

Superfos has been expanding fast, and late last year made the biggest-ever Danish investment abroad when it paid $112m for the takeover of Royster, the U.S. fertiliser company, thereby virtually doubling its annual fertiliser output.

Norsk Hydro of Norway, the world's biggest fertiliser producer, reached an advanced stage of negotiations to participate in the new project, but NEX said yesterday that Superfos had offered better terms. Norsk Hydro is known to have been sceptical about the viability of the project.

As part of the complex, Aga, one of the world's leading industrial gas companies, is to build Europe's largest atmospheric gas plant for the production of oxygen (more than 2,000 tonnes a day) and nitrogen needed for the gasification process. Aga's total investment in the project will be around SKr 600m.

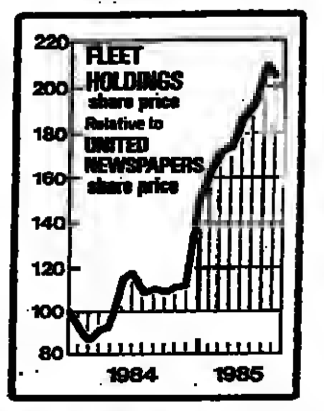
In addition, the gas plant will produce around 15m cubic metres a year of argon, at least two thirds of which will be exported to northern Europe. The argon output will be more than the total current Swedish consumption of the gas, which ich used in making stainless steel.

The coal gasification plant will use process technology recently developed by Texaco of the U.S.

THE LEX COLUMN

Fleet sails out of reach

The South Africa Government may have suspended trading on its currency and stock markets, but London saw no reason to follow suit. Buyers and sellers were thin on the ground, however, given the spreads that market makers were asking. The rand could have been bought at $0.50 or sold at $0.35; the sort of differential more commonly seen at an Oxford Street bureau de change.



United/Fleet

Whatever United Newpapers might claim to be the instrinsic, bid-free worth of Fleet Holdings, the market took no notice yesterday. United put in an offer which must have been intended to quell the expectations of the greedier speculators in Fleet shares, but there was no turning back for the Fleet share price. On the day, it rose 15p to 360p, 22p above United's paper offer at yesterday's prices and a whopping 57.5p above the cash alternative.

The underwriters of the cash offer must have been laughing all the way to the bank since it is almost inconceivable that anybody would take it up. United's shareholders, on the other hand, who have not had a crack at the underwriting, may not be so happy. The company has issued almost as much paper as it has printed in the last three years, and even on yesterday's terms, success for the offer would entail a doubling of United's share capital and a consequent dilution of earnings. If Mr Stevens can avoid too much dilution by quickly turning round Fleet's national newspapers through the introduction of new technology, his services as a consultant to other Fleet Street newspapers will doubtless be greatly in demand.

Yesterday's price movements seem to suggest either that United will increase its offer or that another bidder will enter the fray. But United would surely have to work hard to underwrite a much larger offer; the fact that its own shares rose on the bid might imply that shareholders expect United to bow out gracefully – and at a substantial profit – to a larger rival.

Global prospectuses

The London Stock Exchange's comment on the SEC's proposals for internationalising the issue of securities appears full of common sense; reciprocal recognition of prospectuses does seem far more attractive than any attempt to legislate for uniformity of documents intended for different markets. The exchange may, unfortunately, find it is talking to a brick wall if it wants the reciprocity to be founded on a relaxation of the SEC's normal registration criteria. Granted that the obligation to recast accounts in accordance with U.S. accounting requirements and to report quarterly has deterred many UK companies from approaching the U.S. capital markets, the SEC could argue that this result shows only that standards have been properly enforced. Yet the trend towards global issuance of equities will surely find its way round any regime which is tougher or more expensive than finance directors think it needs to be. On this point the stock exchange is very convincing, and its arguments deserve to be given full weight.

Marley

Marley's figures for the six months to June were quite as bad as expected, with profits before tax down a full two thirds to £5.1m. But they were expected: last winter was not exactly an ideal time to fit tiles on roofs so that, while poor Amec's modest fall in profit cost it 5 per cent of its stock market value Marley ended the day 1p up at 77p.

It scarcely needed the winter bulge to inventory financing in house products to show that Marley can no longer afford to support borrowings which consume more than half of trading profit in servicing costs. Since equity financing is virtually ruled out by a share price yielding 7 per cent, Marley has at last taken the correct course to freeing some £28m in cash from loss-making or peripheral businesses and freehold property.

It scarcely matters that the withdrawal from the U.S. plastics operation is so obviously a distress sale, with a consequent write-off even against the purchaser's paper; the foray has cost far more as a drain on cash and time than even its figures suggest. Extraordinary losses of £10m at the year-end, as well as some sort of South African write-down, mean that balance-sheet ratios will see no very dramatic improvement this year. But there must be other candidates for disposal – perhaps the South African business, whose reasonable profits will now scarcely survive sterling translation.

Marley may well now be attractive to n bidder; but to pick up a share priced at over 10 times 1985 earnings, portfolio investors would need some confidence in the weather, as well as the building products market next year.

Babcock

Babcock has a well-established name for producing slightly blemished figures, which its results for tha first half of 1985 will do nothing to spoil. Though the reported profit of £15m before tax is depressed by higher redundancy costs and adverse currency movements, and the overhanging effect of the coal strike, it remains disappointing not to see some advance on last year's £16m.

Not that the strategic move away from boilers towards lighter and more consumer-oriented engineering products such as accelerator cables and furniture castors is a failure; profits from Babcock's U.S. companies are becoming the mainstay of the group. Past losses in the U.S. remain available to keep the group tax charge down now that the lossmakers are being turned round, and Detroit has done well by Babcock's component business this year. Whether the auto industry, or for that matter the U.S. furniture industry, can be so helpful in the second half is more doubtful.

Even so, Babcock should make around £38m this year, with a will-o'-the-wisp prospect of £50m to come if everything were for once to go right. Meantime, a 9 per cent yield should prevent the shares from dropping far below yesterday's 140p.

Italian banks cut rates by 1 point

By James Buxton in Rome

LEADING ITALIAN banks cut their prime lending rates yesterday by 1 percentage point to 16 per cent.

The wave of cuts was set off by Banco di Roma, Italy's fourth largest bank and was swiftly followed by Banco di Napoli, the seventh largest bank.

Favourable money-market conditions were cited for the reduction in the prime rates, but the timing of the move appeared to have been speeded up by a public appeal on Tuesday night by Sig Bettino Craxi, the Prime Minister, to bankers, businessmeo and trade unions to play their part in the fight to curb inflatioo – currently running at an annual 9 per cent – and preserve economic growth.

The prime minister appealed in particular to bankers to cut the cost of borrowing. The standard prime rate has been set at 17 per cent since the beginning of the year. That is the figure agreed by the Italian Bankers' Association after individual banks have set their own prime lending rates. The Bank of Italy's discount rate is 15½ per cent.

Three-month mooey is currently quoted at about 14⅝ per cent on the domestic money market while the three-month Eurolira rate is around 13⅝ per ceot.

Yesterday, Banco di Napoli cut its prime rate for customers in southern Italy from 16½ to 15½ per cent, and that for its northern customers from 17 to 16 per cent. Other banks, including Banca Nazionale del Lavoro, the country's biggest, were bringing forward managemeot committee meetings to agree on a lowering of prime rates, probably today.

The rate cuts will take effect from September 1.

Our markets staff adds: The proposed interest-rate cuts did not bave a serious impact on the foreign exchange markets. At the Milan foreign exchange fixing yesterday, the lira slipped only sligbtly against the dollar and the D-Mark. The dollar was officially priced at L1,864.40, up less than L1 from Tuesday, while the D-Mark rose to L671.83, up from the previous day's L671.20.

The stock market reaction, however, was less guarded, with Milan closing sharply higher in active trading. Institutional buyers were particularly busy, boosting a broad range of industrial and holding company stocks. Bank and insurance issues were mixed. The Banca Commerciale index rose 5.80 to 372.64, a new high for the year.

Money markets, Page 23; Stock market reaction, Page 30

U.S. should relax equity rules, says London Stock Exchange

BY ALEXANDER NICOLL IN LONDON

THE LONDON Stock Exchange has told the U.S. Securities and Exchange Commission (SEC) that some U.S. restrictions must be relaxed if an international market in equities is to develop along truly reciprocal lines.

The warning was cootained in a response to one of two "concept releases" issued by the SEC this year seeking public comment oo the current rapid development of a cross-border market in company shares.

Commenting on alternative approaches suggested by the SEC towards the harmonisation of issuing and distribution methods, the London exchange came down heavily in favour of reciprocal treatment. Under that method, offer documents used in one country would be accepted for offerings in other participating countries. The SEC limited its scope to the U.S., UK and Canada because they already have broadly similar requirements.

The London exchange noted that over 150 U.S. companies had obtained listings in the UK, but that fewer than 20 British companies had been registered with the SEC.

"If the approach of reciprocal recognitioo of prospectuses is to be successful, and we at the stock exchange feel that it is highly desirable that it should, it is to be expected that the commission will wish to consider relaxing soma U.S. requirements," the exchange said. In particular, it pointed to the requirements for financial statements to be restated or reconciled according to U.S. generally accepted accounting principles and auditing standards.

Mr George Hayter, divisional director of information services at the exchange, said yesterday: "There is no way that an international market can develop if the full force of SEC requirements is imposed from the beginning. The market will simply slip away to other marketplaces which are not so restrictive."

The London exchange has yet to respond to the SEC's more general request for comment, issued in April, on the internationalisation of securities trading markets. But London has been holding separate talks with both the New York Stock Exchange and the National Association of Securities Dealers' automated quotation system (Nasdaq) aimed at securing orderly development of international share trading.

In favouring a reciprocal approach, the London exchange rejected the SEC's alternative proposal that the three countries establish common prospectus requirements. That might take years to negotiate, it said, and would reduce the flexibility of the regulatory authorities, thus hampering share issues.

It also argued that U.S. restrictions actually damaged the interests of U.S. shareholders in foreign companies. They might be disadvantaged, for example, if a company not registered with the SEC launched a rights issue or offered its shares in a takeover bid.

News analysis, Page 7; See Lex

Pretoria credits may be linked to gold swaps

Continued from Page 1

yet been taken, a Treasury spokesman said.

A senior New York banker said banks were waiting to see the shape of the regulations which the South African Government is drawing up to control the outflow of foreign exchange.

"Something will emerge if the regulations permit us to be helpful" he said, adding that be expected banks would take a decision to keep open some form of banking facilities to South Africa in order to help restore order to the financial markets. He anticipated that the U.S. authorities would give their tacit approval to this action.

The banker added that his institution had earlier made a decision to "reduce but not eliminate" its exposure in South Africa. "Generally, it's 'do not panic'" be said, "but if you do panic, be the first one."

U.S. banks had about $3.9m in loans out to South Africa in March this year. As with the Third World debt crisis, efforts by banks to protect themselves individually by withdrawing funds pose a cumulative threat to the financial stability of the country, one which would have far-reaching consequences.

Officials in Washington yesterday pointed out that since the rand is used as a trading currency in other African countries, the financial pressures being felt by South Africa could be expected to spill over in the region generally. Beyond that there are concerns about the impact on western banks if South Africa were forced to suspend payments on its loans. Worries also surface about the linkage to the Third World debt crisis in general if South Africa were forced to declare an official debt moratorium.

● On European markets trading in the rand came to a virtual standstill yesterday, while gold and platinum prices rose to their highest this year in response to the heightened uncertainty caused by the closure of South African markets.

A few banks, including Barclays in London, continued to quote prices for the rand against other currencies, but with large spreads between their bid and offer prices to discourage major deals.

In London, shares in South African registered companies were depressed by the suspension of dealings until Monday in Johannesburg, and by unfounded speculation that the Stock Exchange would cease trading the stocks for its duration. Some UK companies with a high profile in the Republic were also affected.

South African industrial companies showed the downward trend, with South African Breweries down 10p at 195p, South Africa State Oil Corporation (SASOL) down 13p at 182p, and OK Bazaars 25p adrift at 325p.

In New York, South African mining stocks traded normally on the Nasdaq, or over-the-counter, market as dealers took their cue from the continuation of dealings in London.

The major gold producer stocks, sharply down over the past weeks, suffered further minor losses in moderate trading. On the New York Stock Exchange, Asa, the closed-end investment trust which provides the chief vehicle for investment in South African gold stocks, fell $1½ to $35¼ in light trading.

In Frankfurt, South African stocks were marked down but only after a meeting of the bourse management committee had decided that trading in the stocks and bonds could continue as usual. Pre-bourse trading in the securities had been halted in Munich.

In Zurich trading, Kloof Gold Mining was among the beaviest losers, falling SwFr 4 to SwFr 65 while Anglo American was SwFr 6 lower at SwFr 159.

Among commercial banks in Europe there was some confusion about the status of foreign exchange deals with South African banks concluded before the closure of their markets, but due for settlement before Monday.

On bullion markets, gold and platinum prices continued to climb in response to the latest events, although traders said that there had been no disruption of supplies.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	25	77	Dubrovnik	—	—	—	Malaga	S	26	79	Salzburg	C	16	61
Akrotiri	S	31	88	Faro	S	27	81	Malta	S	29	84	Seoul	C	26	79
Algiers	S	28	82	Florence	F	26	79	Manila	C	31	88	Singapore	F	31	88
Amsterdam	S	21	70	Frankfurt	S	21	70	Miami	C	30	86	Stockholm	S	20	68
Athens	S	30	86	Funchal	S	23	73	Milan	S	25	77	Strasbourg	S	21	70
Bahrain	S	40	104	Geneva	S	20	68	Moscow	C	19	66	Sydney	S	19	66
Bangkok	R	31	88	Gibraltar	F	25	77	Munich	F	17	63	Taipei	S	31	88
Barcelona	F	26	79	Guernsey	S	18	64	Nairobi	C	20	68	Tangier	S	23	73
Beirut	C	31	88	Helsinki	S	20	68	Naples	F	25	77	Tehran	—	—	—
Belgrade	C	20	68	H. Kong	C	26	79	New Delhi	S	33	91	Tel Aviv	S	30	86
Berlin	S	19	66	Innsbruck	S	19	66	New York	S	29	84	Tenerife	S	26	79
Biarritz	S	24	75	Inverness	F	15	59	Nice	S	25	77	Tokyo	S	31	88
Blackpool	F	17	63	Istanbul	S	28	82	Oporto	S	26	79	Toronto	S	25	77
Bordeaux	S	24	75	Jersey	S	19	66	Oslo	C	17	63	Tunis	F	27	81
Brussels	S	22	72	Jo'burg	S	21	70	Paris	S	22	72	Valencia	S	28	82
Budapest	C	21	70	Las Palmas	S	25	77	Prague	F	17	63	Venice	S	24	75
B. Aires	F	18	64	Lima	C	18	64	Reykjavik	S	9	48	Vienna	C	16	61
Cairo	S	35	95	Lisbon	S	29	84	Rio de J'o	C	38	100	Warsaw	C	17	63
Cape Town	S	25	77	Locarno	C	22	72	Rome	S	27	81	Zurich	S	19	66
Caracas	R	28	82	London	F	21	70								
Casablanca	S	24	75	Los Angeles	S	33	91								
Copenhagen	S	16	[illegible]	Luxembourg	S	18	64								
Corfu	S	24	75	Madrid	S	29	84								
Dublin	C	16	61	Majorca	S	27	81								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Lagos reviews deals

Continued from Page 1

without having to turn to the IMF.

It was viewed as shortsigbted by an influential group of civil servants and businessmen wbo apparently had beld contacts with Gen Babangida before the coup. Their argument was that it was merely a short-term expedient aimed at avoiding painful but ultimately crucial structural reforms of the oil-dependent Nigerian economy.

Despite the ominous tone of the new leader's comments on debt repayment, there was no indication yesterday that the new regime would fail to honour the Buhari regime's debts. The first signs of policy in this area could come next month when an issue of some $100m in promissory notes is planned as part of the protracted rescheduling of several billion dollars in overdue trade debts.

On the political front, the new regime of Gen Babangida showed signs of a less repressive policy than its predecessors with the release yesterday of two leading journalists retained for criticising the Buhari regime.

It was also announced yesterday that some members of the former Supreme Military Council would be kept on in top jobs

UK rail guards reject strike

Continued from Page 1

climate" for the union's recalled conference.

The ballot result surprised not only the NUR, but also senior British Rail officials. Right up until the counting of the votes, it had been assumed on both sides of the industry that there would be a majority for action, possibly leading to a shutdown of the rail network.

British Rail sees its plans for driver-only trains, removing the guard, as central to its hopes of future productivity improvement in the face of increasing competition from road transport. BR first mooted the change nine years ago and has accused the NUR of dragging its feet. BR claims that driver-only operation would save £27m ($38m) annually after five years.

girl—mole, perhaps (9) London NW11.

JOBS COLUMN

New golden posting for executive venturers

BY MICHAEL DIXON

WHICH country offers the biggest boost in earnings as an overseas posting for globe-trotting executives?

The People's Republic of China, saya Neil Krupp, a vice-president of the Runzheimer International management consultancy in the U.S. whicb keeps watch on pay and living costs throughout the world. "Companies are falling over one another to build up business in the PRC, and the salary multipliers you can get for working there now look to be the highest available anywhere," he told me the other day.

For a start, the 34 multinational groups Runzheimer has lately surveyed offer handsome pay premiums just to eotice key staff to go out to China in the first place. The initial premium averages almost 22 per cent of the person's basic salary.

"But that's far from all," Mr Krupp went on. "For companies still treat the country as a 'hardship' post, even though living conditions there for foreigners are getting better quickly—especially in the major centres of business and population like Beijing, Shanghai and Guangzhou which we used to eall Canton.

"The average hardship premium worked out at just ever 26 per cent of base salary. And that, like the initial premium, all represents money in the bank to executives who go."

Ooce there, few of them apparently bave to dig deep in their own pockets to meet personal living costs. Even though most are oo postings of at least two years, their employer typically pays for them to live in hotels, eat in restaurants and go to and fro io taxis or, more rarely, a rented car with driver.

"Conditions for driving yourself around aren't comfortable for westerners. If you get into an accident, for instance, you're in a lot of trooble," I was told. "The reason they live in hotels and so on is that housing for rent is extremely hard to coma by. They mostly work from an hotel too—quita often a different one—because rented office space is just as scarce or scarcer.

"There's a drawback to it, hecause it means there is no point in taking your spouse there, never mind children. They'd be stuck in an hotel and when the newness wore off have very little to do. The spouse would hardly have e chance of getting a job, and there's only so many times anyone wants to go to tha Great Wall."

Even so it is to be hoped that the expatriate staff themselves can find interesting things to do, because they have plenty of leisure in which to do them. Quite apart from normal holidays, there was an antitlement to at least a week off for every four months work for 82 per cent of the China-based executives identified by Runzheimer's atudy.

The bulk of them were Americans. Of the rest, 33 per cent were Europeans, 30 per cent from other Asian countries, 16 per cent Australians, and 15 per cent Canadians. The remaining 6 per cent were from a variety of differeot places.

Marketing people made up the biggest single group—just over half—with service and technical support staff oext and manufacturing folk third. Finance specialists accounted for 15 per cent.

If any reader feels tempted to join them, the prospects seem fairly good. Of the multinational groups surveyed, 43 per cent were planning increases in the number of Americans they employ in China over the next year and half intended to send more expatriates of other nationalities there.

Fund managers

THREE fund managers are wanted by Michael Reid, managing director of the Aitken Huma International group'a United Kingdom investment management companies. They are Aitken Hume Home Funds (Management) and Aitken Hume Portfolio Management. One of the newcomers will specialise in income-generating funds, the second in the Pacific basin, and the third in UK funds of all kinds. They will be based in London.

Besides a record of success in one of the three specialisms, candidates oeed managerial ebility, the skill to present their case in seminars as well as one-to-one oegotiations, and willingoess to visit and get to know portfolio companies.

Salary range—dependent on record — £20,000-£50,000 which Mr Reid expects the recruits to double by way of their results-related boous. Perks include car and subsidised mortgage.

Inquiries to him at 1 Worship Street, *London EC2*; telephone 01-638 6011.

Consultants

THE SECOND of today's bulk orders comes from Brian Lancaster of the Midlands-based "human resources" division of the management consultancy wing of Thornton Baker.

He wants two *full-time* and op to three part-time consultants to join him in providing various personnel services to client companies across the middle layer of England which do not employ tha requisite specialist staff in-house. Services to be supplied include selection by search and advertising, personnel and industrial relations services from individual employment contracts to collective bargaining, and redundancy counselling and the like.

Although the selection work is the main priority at present, tha preference is for candidates able to undertake some if oot all of the other activities. But while contacts and experience in consultancy would be belpful, applicants do not need to be personnel specialists as such. They could also come from general or marketing management, for example, and be of any age provided they are energetic and are "as at ease in a boardroom as they are bappy to work with their coats off," Mr Lancaster says.

"So long as they are within reasonabla commuting distance of Birmingham, it doesn't matter where they live."

Salaries for full-timers about £20,000 with car among other benefits; part-timers pro rata.

Inquiries to Thornton Baker Associates, Kennedy Tower, St Chad's Queensway, Birmingham B4 6EL; tel 021-236 4821, telex 337955 TB Bham G.

Hotels finance

THE THIRD bulk order comes from recruiter Gary Laurence of Selected Accounts Personnel who is offering an assortmaot of jobs for successful financial managers with hotel groups in the UK, which he says ara enjoying "boom conditions." Since be may not say who his clients are, be promises to abide by any applicant's request not to be identified to the employer at this stage.

In every case, candidates should have a sound knowledge of the financial aspects of tha hotels business or a closely related field. They also need to be abreast of development in computer applications, demonstrably able managers, and skilled communicators. Qualified accountaots will have an advantage.

Tha first opening is for the finance director of the Londou-based UK botels division of a big leisure group. The salary indicator is about £35,000. The perks include a car—as is also the case in the other three jobs offered by Mr Laurence.

The second is for a regional financial director to be based west of London with an international company. Salary will be around £30,000.

Third comea the post of finance director designate with a quoted group planning expansion, at present beadquartered in the south Midlands. Salary up to £25,000.

The fourth is for the chief accountant at the central offices, close to London, of a UK gronp's hotels division. Salary about £22,500.

Inquiries to Suite 321, 52-54 High Holborn, London WC1V 6RL; tel 01-242 0509.

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The position calls for a person with a strong character who can quickly command respect from business professionals both from within the company and from outside organisations. Candidates, ideally mid 30's to early 40's, preferably of graduate/professional status, must have proven track record in a highly commercial environment which will almost certainly include one of the main areas of responsibility.

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Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to *G. Sable*, **Hoggett Bowers plc**, St. John's Court, 78 Gartside Street, MANCHESTER, M3 3EL, 061-832 3500, quoting *Ref: 29634/FT*.

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Bank of Scotland attaches great importance to the Visa operation and the remuneration package fully reflects our desire to attract men and women of the highest calibre—and a competitive salary structure and full benefits package will be offered.

Write, enclosing C.V. and current earnings to G.G. Gordon Esq, Assistant Staff Manager, Bank of Scotland, Staff Department, P.O. Box 133, 62 George Street, Edinburgh EH2 2RA.

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Educated to degree level, ideally in Economics, your career record will combine successful experience in a sales role with exposure to corporate finance, financial analysis and cost accounting. Willing to undertake frequent trips to Spain - in order to meet potential clients - you will be thoroughly familiar with both the country and the language. In addition, fluency in other European languages and work experience with a multi-national organisation would be highly desirable.

There will be a competitive salary and benefits package.

Please send your curriculum vitae to: Mr. B. Johnson, PER, 319-327 Chiswick High Street, London W4.

PER

Britain's Largest Executive Recruitment Consultancy

Banking Products Executive

Reflecting the growth of new products in the securities markets, an opportunity now exists for a Banking Products Executive, with experience of working in Australasia, to join one of the leading, international investment banks.

Educated to degree level, preferably in law, the successful applicant will have experience of trading in the fixed interest market, an understanding of Export Credits and a good knowledge of all relevant documentation. In addition, he/she will have a flair for business development and will be prepared to undertake trips to Australasia as required.

A competitive salary and standard banking benefits will be offered.

Please send your CV to:- Mr. B. Johnson, PER, 319-327 Chiswick High Street, London W4.

PER

Britain's Largest Executive Recruitment Consultancy

Information Systems Support Manager

Central London

c.£25,000 + Quality Car & full banking benefits

Our client base is select, the quality of our service second to none and our standards for efficiency and courtesy unparalleled. Indeed they need to be—we are one of the UK's most prestigious banking institutions offering a broad range of domestic and international financial services in what is an increasingly competitive market.

To sustain our competitive position we are committed to the introduction of leading edge information technology and now seek an Information Systems Support Manager who will assume overall responsibility for existing systems covering a wide spectrum of business needs.

"A unique systems development opportunity for one of the UK's most prestigious financial institutions."

The role will be a demanding and highly visible one, requiring the ability to relate to users and to assess their needs. Candidates will be responsible for the implementation of efficient, accurate and cost effective computerised and non-computerised systems and procedures including aspects of telecommunications.

Candidates will need to possess a high level of technical competence. They must be able to demonstrate sound man-management skills and be able to offer a good track record of achievement within a multi-disciplined project management environment. Banking experience is essential as is the ability to liaise effectively at senior management level and be sensitive to the demands of differing user Divisions. Knowledge of Information Centre concepts although not essential would be preferred.

Please forward a comprehensive Career Résumé to **Hayda Parry** at SCR's South Office quoting Ref. HP601/FT. Total confidentiality will be assured.

Technical, Sales & Management Appointments

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Specialist Computer Recruitment Ltd

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James House, 46 James Street, London W1M 5HS, 01-935 9871/486 8461	35-37 Great Charles Street, Queensway, Birmingham B3 3JY, 021-236 3781	International House, 84 Deansgate, Manchester M3 3EE, 061-833 0427	33-38 Boulevard de la Cambre, 1050 Bruxelles, 010 322-640 7151/71

Marketing Executive
Oil and Gas
to £23,000 + Benefits

Our client is a New York money centre bank with a long established presence in London. Their successful energy group is actively involved in all aspects of the market in both the UK and Europe and currently requires an additional marketing officer to meet existing commitments and further develop business.

Candidates should be in their mid 20's to early 30's and will preferably have a banking background with at least 2 years' experience, strong credit skills and proven marketing ability; alternatively they will be able to demonstrate a similar range of experience within the oil industry. They must be good communicators and be able to develop successful long term client relationships. Previous experience in the energy sector would be a considerable advantage but is not a prerequisite.

The salary, which includes an attractive benefits package, is negotiable and will reflect a candidate's ability and experience.

Interested applicants should contact Christopher Smith or Andrew Stewart on 01-404 5751, or write to them, enclosing a comprehensive curriculum vitae, at 23 Southampton Place, London WC1A 2BP, quoting ref. 3541.

MP
Michael Page City
International Recruitment Consultants—London Brussels New York Sydney
A member of the Addison Page PLC group

Economic Analysis – Energy Markets

This opportunity, in our Corporate Planning Department, is in the small team which analyses energy markets and establishes crude oil price levels for medium and long term planning purposes. Both macro-economic and detailed sector/country/fuel studies are undertaken. Contact with technologists, modellers and economists, both in BP and outside, is involved.

Candidates, probably in their late twenties or early thirties, must be graduates with a basic qualification in economics and a background in mathematics or a numerate discipline. Familiarity with quantitative analytical techniques and with energy markets is essential. A knowledge of computers and at least two years' in an analytical role would be advantages.

Starting salary will be fully competitive. Other benefits are excellent and include non-contributory pension, London allowance and assistance with relocation expenses, where appropriate.

Please write or telephone for an application form, quoting ref.B.256, to:

**Susan Skolar, Recruitment Branch,
The British Petroleum Company p.l.c.,
Britannic House, Moor Lane, London EC2Y 9BU.
Tel: 01-920 3484.**

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International Appointments

Manager
Investment Services
City to £18,000 + benefits

We act for a profitable, innovative and independent research house providing unique statistically based investment advisory services. They seek an exceptional individual to manage analytical research provided to blue chip names. The strengths of the business derive from its academic research base, its original approach to U.K. equities analysis and the quality of service to clients.

Candidates, in their mid/late 20's, will possess a good numerate degree and possibly a professional accounting qualification (or MBA). The ability to communicate effectively and to develop new client relationships is a pre-requisite. The appointee will enjoy intellectual challenge and the opportunity to contribute to the further development of this small, expanding business.

For full job description write in confidence to Mark Lockett at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FU showing clearly how you meet our client's requirements, quoting ref. 9106/FT.

JC&P
John Courtis and Partners

TREASURER
Salary around £35,000 + Car + Benefits

The Halifax is recognised as the World's No. 1 building society and now seeks a manager for its Treasurer's Department based at Head Office in Halifax.

The Treasurer manages and has overall responsibility for liquid funds of more than £3.5 billion and wholesale funds of more than £1 billion.

The successful candidate should have a minimum of five years' experience operating at a senior level in the gilt and money markets and will be required to have the knowledge and expertise to continue the initiatives the Society has already developed.

In addition to the salary shown, the benefits include provision of a car, contributory pension scheme, life assurance, subsidised mortgage facilities, BUPA and a full relocation package (if appropriate).

Candidates should apply in confidence with a full C.V. to:-
General Manager, Personnel and Services,
Halifax Building Society, P.O. Box 60,
Trinity Road, Halifax HX1 2RG.

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Fountain Forestry provides a complete forestry management service on approximately a quarter of a million acres in the UK and through its subsidiary, Fountain Forestry Inc., manages almost 100,000 acres in the USA. Interest continues to increase from both institutional and private clients and the company now wishes to strengthen its London based Sales and Marketing team.

The Marketing Director is seeking to appoint an individual with proven experience of negotiation and selling in a competitive environment. A background in property, banking or broader financial services sector would be an advantage.

The remuneration package comprises a negotiable salary, a performance related bonus, company car and a non-contributory pension scheme.

Applications to:-
B.N. Howell, Fountain Forestry Ltd.,
35, Queen Anne Street, London W1M 9FB
Tel: 01 631 0845 Telex: 295693

EXECUTIVE/DIRECTOR FINANCIAL SERVICES

City company providing international financial services requires young Executive/Director to advise overseas clients in relation to Euro Credit markets, United States domestic credit market, United States stock and commodity markets, foreign exchange markets generally, and in relation to the financing of investments, primarily in the United States.

As many clients are Greek speaking, a good command of this language both written and spoken is essential.

Appointment requires a good knowledge of United States and international banking methods. Salary commensurate with qualifications.

Applicants are required to work on own initiative, reporting regularly to clients and their advisers, and must be prepared to travel extensively both on the Continent and to the United States.

Applications to:- Mrs. S. Becker, St. Paul's House, Warwick Lane, London EC4P 4BN

CITY
A VACANCY HAS ARISEN FOR A TRAINEE BROKER

The successful applicant will be aged 23 plus and of a smart appearance. No previous experience necessary as full training will be given.

For a confidential interview ring:
NIC UGLOW
on 01-283 2942

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Financial Manager
Lagos, Nigeria

Johnson Wax is a highly successful international group, manufacturing and marketing a wide variety of top-selling consumer and industrial products, many of which are brand leaders.

Operating manufacturing facilities in countries throughout the world: this senior appointment, with Johnson Wax Nigeria, carries responsibility for the control of the entire finance function: providing management with the financial information necessary for continued growth and expansion.

Ideally we seek a Nigerian national wishing to repatriate: however, a suitably qualified European interested in a long-term position would also be of interest in which case an expatriate compensation package would apply.

With a recognised UK accountancy qualification: you must have proven knowledge of financial principles, planning and computerised systems. Ideally you will have at least 5 years' post-qualification experience in financial management, of which 2 years must be in a senior position. Fluent English, familiarity with a multi-national business environment and western accounting practices plus highly developed inter-personal skills are prerequisites.

A highly competitive remuneration package will include relocation expenses, profit sharing scheme, a company car, generous housing allowance and free medical care for self and family.

Please write with full personal and career details to:
John Phillips, Area Personnel Director
Africa/Near East Region
JOHNSON WAX LIMITED
Miltoo Park, Stroude Road
Egham, Surrey TW20 9UH

Johnson wax

Treasury Manager BP Capital B.V.

BP Capital B.V. is a subsidiary of British Petroleum Maatschappij Nederland B.V. (BPMN) and operates as a finance company raising finance, investing surplus funds and undertaking financial arbitrage activities. BP Capital B.V. is associated with BP Finance International, the international finance arm of The British Petroleum Co. p.l.c.

We seek an experienced Treasury Manager for BP Capital B.V. who will also perform the Treasury function for other subsidiaries of BPMN. Candidates must be Dutch nationals and university graduates, preferably with appropriate additional qualifications, with at least five years experience in directly relevant international merchant investment/banking activities. Age 30-35 years.

This is a new position with considerable prospects and opportunities for career development as part of BP's international finance staff. A person of outstanding qualities is required.

Further information is available from: Mr. R.A. Ruijter, CPA, Group Accountant BPMN.
Tel.no 020 (Amsterdam) 520 12 27.

Written applications only with full c.v. to:
Mr. P.R.C. Reeves, General Manager BPMN,
Frederiksplein 42, 1017 XN Amsterdam,
The Netherlands.

BRITISH PETROLEUM MAATSCHAPPIJ NEDERLAND B.V. BP

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An international association of employers providing confidential information to its member companies, relating to employment of expatriates and nationals worldwide.
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Treasury Coordinator
The Hague cDfl 75,000

Our client, a multinational in the oil services industry, is now seeking a Treasury Administration Coordinator to be based in The Hague, Netherlands.
Responsibilities will include:
- Investment fund control
- Funds transfer
- Computer systems maintenance and development
- Management reporting
- Bank relations

Candidates should be ideally aged 24-28, graduates, having gained accounting experience within the treasury department of an industrial group or bank. Familiarity with IBM 36 and Personal Computer applications would be a useful asset.

For a self motivated individual with the ability to work independently, international career development prospects within the group are excellent. Initial training will be provided in London.

Interested applicants should contact John Archer on 010-322-648 1384 or send a comprehensive curriculum vitae to Michael Page International, rue Vilain XIIII 55, Box 11, 1050 Brussels.

MP
Michael Page International
Recruitment Consultants
London Brussels New York Sydney
A member of the Addison Page PLC group

International Audit
Newly Qualified Accountant

Our client is a diversified multinational US corporation with several autonomous subsidiary companies in the fields of manufacturing, retailing and industry.

Its corporate audit department works to the highest professional standards and now seeks to recruit an accountant who will be:
- newly qualified or equivalent with 3-4 years' experience in a large professional firm
- fluent in English and at least one other European language, preferably Spanish or Italian
- motivated by the prospect of international travel
- ambitious to forge a future career within the company.

An exciting audit plan has been formulated for 1986 including assignments to Australia, Mexico and throughout Europe.

You may be based at the European city of your choice and return at weekends when on assignments within Europe.

Interested candidates should contact James Forte or David Nicholson on London 01-831 0431 at Michael Page International, 39-41 Parker Street, London WC2B 5LH.

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Recruitment Consultants
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Senior Auditor
Bahrain c.£24,000 (currently tax free)

- ☐ Free Furnished Bachelor Accommodation & Utilities
- ☐ Paid Home Leave
- ☐ Excellent Recreational Facilities

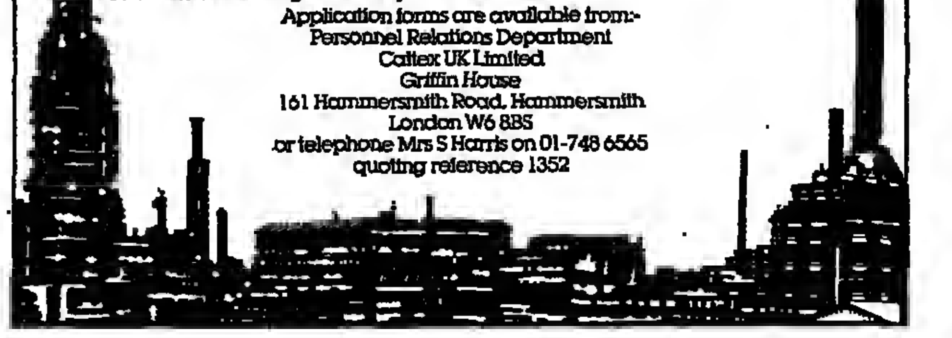
The Bahrain Petroleum Company BSC (Closed) has a vacancy for a Senior Auditor in its Internal Audit Department.

Candidates will be a graduate Chartered Accountant with two years post qualifying experience with a large firm of accountants followed by 3 further years in petrochemical or allied industry carrying out a mixture of operational and financial audits.

Familiarity with computer audit techniques is essential and previous overseas experience would be an advantage.

This is a single status appointment and we envisage a 2-3 years commitment starting in January 1986.

Application forms are available from:-
Personnel Relations Department
Caltex UK Limited
Griffin House
161 Hammersmith Road, Hammersmith
London W6 8BS
or telephone Mrs S Harris on 01-748 6565
quoting reference 1352



Principal Auditor
Tuvalu

The incumbent will have responsibility for the auditing of all public accounts for all ministries, offices, courts and Government Authorities together with the submitting of same to Government.

Other tasks include the monitoring of other functions in relation to supervision and control of expenditure; the auditing of statutory bodies and the advising generally on commercial matters.

Candidates should be British Citizens, aged 40-50, and should be ACA, ACCA or CIPFA, with at least five years post qualification experience, preferably in auditing related to central or local government accounting.

The appointment is on contract to the Government of Tuvalu for a period of two years. Local salary is A$8548 pa, plus a tax free supplement, payable by ODA, in the range £12,094 to £13,156 pa. A termination gratuity of 25% of local salary may also be payable on satisfactory completion of contract. Other benefits normally include free passages, children's education allowances and subsidised accommodation.

Exchange rate as at 13 August 1985 – £1.00 stg.—Australian $1.9336.

For full details and application form, please apply, quoting ref. AHE2/JMc/FT, stating post concerned and giving details of age, qualifications and experience to: Appointments Officer,
Overseas Development Administration,
Room 351, Abercrombie House, Eaglesham Road,
EAST KILBRIDE, Glasgow G75 8EA.

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BARBADOS NATIONAL BANK
VACANT POST OF MANAGING DIRECTOR

Barbados National Bank requires a Managing Director

The Managing Director will be a person of recognised standing and experience in commercial banking, business management or financial matters. The Managing Director will be the Chief Executive Officer of the Bank and will be responsible to the Board of Directors for the execution of the Bank's policy and its day-to-day management.

The Bank operates a non-contributory pension scheme. However, a contractual appointment will be considered.

An attractive salary and other conditions of employment are offered.

Applications, supported by at least two (2) references, should be addressed to:
THE CHAIRMAN
BARBADOS NATIONAL BANK
HEAD OFFICE
11, JAMES STREET
BRIDGETOWN, BARBADOS
to reach him not later than 15th September 1985

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Looking for new horizons and challenge? Butterfield, Bermuda's first Bank, may be the place – if you have what it takes to meet our needs.

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We have immediate openings for Foreign Exchange Dealers and Interbank Deposit Traders.
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The ideal candidate will:
*have a minimum of 3 years' trading experience
*have a knowledge of options and arbitrage
*be familiar with Eurodeposit marketing
*be conversant with all major currencies in both spot and forward markets
INTERBANK DEPOSIT TRADERS
Preferred candidates will have 2 to 3 years' trading experience in the International Money Market and will have been active in the following areas:
*Eurocurrency deposits
*CDs and financial futures
*Arbitrage market
*Understanding of FRA and interest rate swaps would be an advantage.

These positions offer competitive salaries paid in Bermuda dollars at par with the US dollar. Benefits include full hospital and medical insurance. There is no income tax in Bermuda. Relocation expenses and airfares are provided.

Resumes should be addressed to:
Alan Greaves, Senior Manager - Personnel,
The Bank of N. T. Butterfield & Son Limited,
P. O. Box 195, Hamilton 5, BERMUDA

A major Middle Eastern Bank
WITH BRANCHES IN EGYPT WISHES TO APPOINT A
Credit & Marketing Manager

Candidates should be graduates and must have had a minimum of ten years' experience in international credit and marketing with a leading bank. The post bears the responsibility, not only of supervising and developing an effective marketing team, but also responsibility for the credit portfolio. The position is Cairo based at the Regional Office and reports directly to the Regional Manager.

Preference will be given to Arabic speakers.

Applications to Box A9107, Financial Times 10 Cannon Street, London EC4P 4BY

FINANCIAL ACCOUNTANT
CARIBBEAN
Circa 26,000 Pounds Sterling (Tax Free)

Cayman Overseas Trust Co. Ltd. is engaged in the management of offshore investment companies, trusts etc., and is a member of the Cayman National Corporation Ltd. group which provides a comprehensive range of financial services in the Cayman Islands.

The company requires the services of a professionally qualified accountant with at least one year's post-qualifying experience to handle its own computerised accounting function and to maintain records and prepare financial statements for clients.

In addition to salary, the position carries other benefits including non-contributory pension scheme, subsidised staff loans after a qualifying period etc.

Applications accompanied by a c.v should be made in writing in the first place to:
THE EXECUTIVE VICE-PRESIDENT,
CAYMAN OVERSEAS TRUST CO. LTD.,
P.O. BOX 1790,
GRAND CAYMAN
B.W.I.

Chief Accountant
Morocco

Johnson Wax, a multi-national based company is looking for a Chief Accountant for our developing subsidiary in Casablanca.

Ideally you will be a Moroccan national wishing to repatriate: however, a suitably qualified European seeking a long-term position would also be of interest.

You should be a qualified accountant with several years' relevant supervisory/management experience, coupled with good organisational ability. Experience of implementing financial systems in a start-up situation would be an added advantage: while fluent English, familiarity with a multi-national business environment and western accounting principles are prerequisites.

A highly competitive remuneration package will include relocation expenses.

Please write with full personal and career details to:
John Phillips, Area Personnel Director, Africa/Near East Region, Johnson Wax Limited, Milton Park, Stroude Road, Egham, Surrey TW20 9UH.

Johnson wax

Accountancy Appointments

Young Qualified Graduate Accountants

Opportunities in BP's Corporate Headquarters

Develop your career in a successful worldwide business

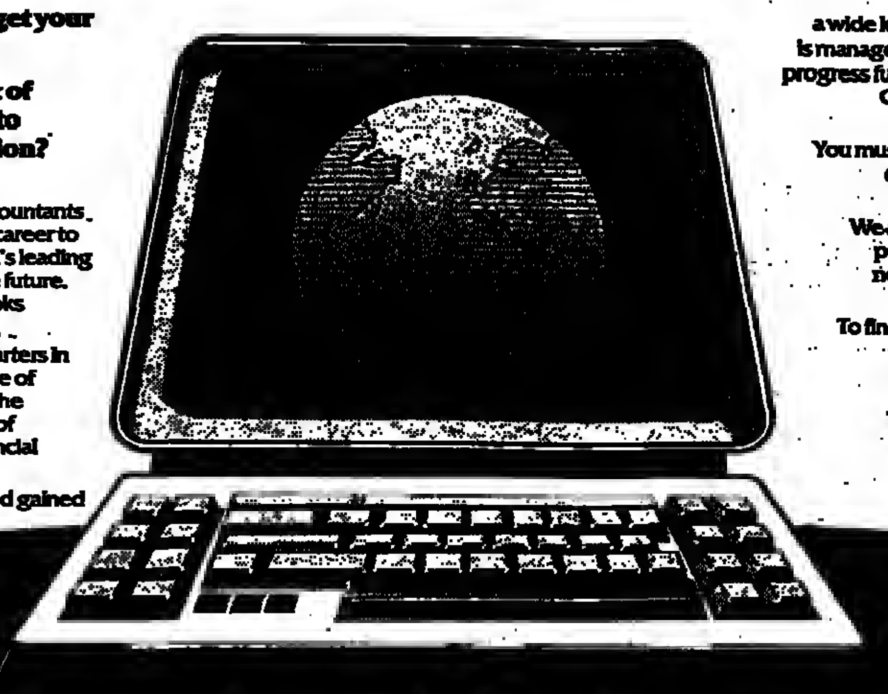
Recently qualified or about to get your results?

Looking for your first move out of the profession or for a chance to give your career a new dimension?

We need able and ambitious young accountants whose success will lead to a 'fast track' career to senior management in one of the world's leading businesses. BP always has an eye on the future. It is a highly profitable company that looks ahead and has a habit of staying ahead.

Based initially at our corporate headquarters in London, you will be offered a wide range of experience and career progression. In the first three years you will have a number of assignments in the group's various financial management and control functions.

Having enhanced your financial skills and gained a wide knowledge of how a major multinational is managed, there will be opportunities for you to progress further a financial or commercial career in Group Head Office, or in a BP business in London or overseas.



You must have a good degree and professional examination record. Fluency in a foreign language will be an advantage.

We are offering the best salaries for the best people, plus excellent benefits, including non-contributory pension and relocation assistance where appropriate.

To find out more either telephone David Lear on 01-920 6957 or write to him for an application form, quoting ref. B.257, at:
Group Head Office Personnel,
The British Petroleum Company p.l.c.,
Britannic House, Moor Lane,
London EC2Y 9BU.

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The British Petroleum Company p.l.c.

The four principal accountancy posts featured here are based in various areas of the Civil Service. They represent a pinnacle of responsibility and influence for the Professional Accountant.

One ACCOUNTANCY LECTURER to develop the Finance and Accountancy (Management Appreciation) courses for senior Civil Servants. Your approach to this challenging post must be imaginative and constructive in conveying the principles of financial management. Firm but sensitive communication skills are essential. This post is at the Civil Service College in London or Sunningdale, Berkshire.

Two ACCOUNTANCY INVESTIGATORS to work in the enquiry branch of the Inland Revenue. This absorbing work will require you to advise the Tax Inspectors on points of accountancy law and practice during the course of their investigations into tax irregularities. The post demands someone with comprehensive professional office experience. You must have an incisive, inquiring mind and the confidence to carry out high level interviews and give evidence in contentious cases. 2 posts, 1 in London and 1 in Nottingham.

One AUDITOR as Head of Section in the Internal Audit Branch of the Department of Trade and Industry. Leading the section concerned with nationalised industries, you will manage, plan and programme the work of the section, supervising audit procedures and assist in training at section and branch level. 1 post in London.

All candidates must be Chartered, Certified, Cost and Management or Public Finance Accountants or be eligible for admission.

SALARY: £13,505–£18,360. £1365 higher in London. Starting salary according to qualifications and experience. Promotion prospects.

For further details and an application form (to be returned by 20 September 1985) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours).
Please quote ref: G(4)686.

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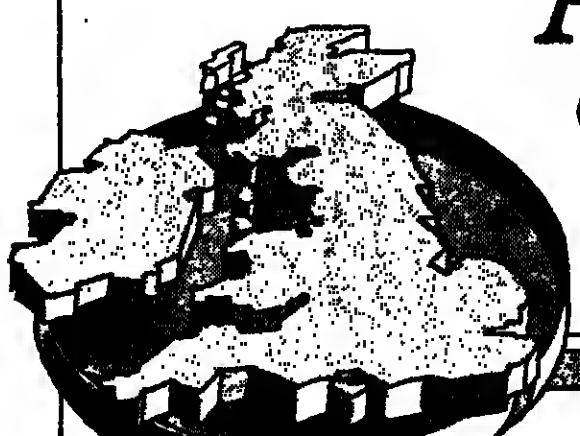

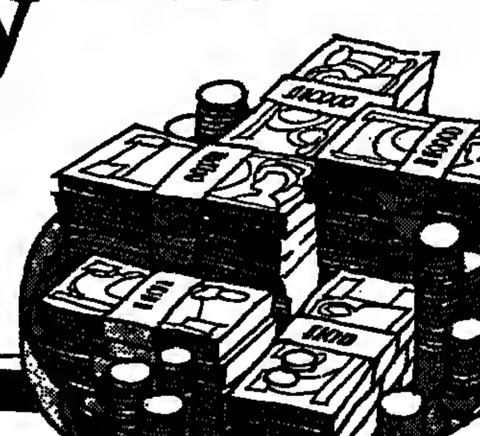

MIS Audit Manager

RCA International, a division of the US multinational Corporation with interests in the electronics and entertainments industries, is seeking to fill the position of MIS Audit Manager, reporting to the Director of Auditing, based at our offices at Sunbury on Thames, Middx.

Candidates should have MIS computer audit experience in financial application reviews, systems development, audit software, systems security and data centre auditing, in addition to a financial qualification.

The position will carry responsibility for European, Far East and South American operations and require up to 40 percent travel. Prospects for internal advancement are excellent.

This key post offers an attractive remuneration package including Company car and other benefits.

Replies, with detailed resumés, to: Pam Torma, RCA International Ltd., Norfolk House, 31 St. James's Square, London SW1Y 4JR.

RCA

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INSURANCE ACCOUNTANTS TO £30,000

LLOYDS SYNDICATES (A, B & C require in-depth experience. No age limits)
a) FINANCE DIRECTOR £25-30,000. Qualified or unqualified.
b) POTENTIAL FINANCE DIRECTOR circa £25,000. Qualified or unqualified.
c) CHIEF ACCOUNTANT circa £20,000. Qualified or unqualified.
d) YOUNG ACCOUNTANT to learn the system. £15-17,000 + bonuses. Suit finalist CA/CCA/CMA. Ideal age late 20s.

LLOYDS NAMES AGENCIES. Experience Essential. Qualified or unqualified.
a) ASSISTANT M.D. Advise names on means, reserves etc. Personality and presence outweigh accounting finesse. Circa £18,000. No age limit.
b) ACCOUNTANT to do all accounting. Circa £16,000. No age limit.

LLOYDS BROKERS REQUIRE
a) CHIEF ACCOUNTANT. Qualified. Circa £25,000. Age 28/35. Experience essential.
b) SYSTEMS/DP MANAGER. Circa £25,000. Age 28/35. Experience essential.
c) MANAGEMENT ACCOUNTANT. Qualified with 2 years commercial experience not necessarily in insurance. £15-£17,000. Age 28/35.
d) CREDIT CONTROLLER with knowledge of R.I. procedures. Circa £15,000. No age limit.
e) CREDIT MANAGER with good R.I. experience to sort out closed accounts and collect balance due, £20,000. No age limit. This is with a major broker in Essex.

HAMPSHIRE UNIT TRUST/LIFE/PENSIONS COMPANY REQUIRE EXPERIENCED
a) INTERNAL AUDITOR Qualified. £18-£26,000 + mortgage. Age over 28.
b) UNIT TRUST ACCOUNTANT. Qualified £18-£20,000. Age over 28.
c) INVESTMENT ACCOUNTANT. Qualified or unqualified. £12-£15,000. Age late 20s.

All positions are in the city unless otherwise stated. We specialise in placing accountants in the insurance industry.

Contact G. Hamill FCA, ACMA, MBA (Harvard), FINANCIAL CONTROL PERSONNEL LTD., St. Giles Lodge, Chalfont St. Giles, Bucks, HP8 4RZ. Tel: (02407) 4291

International Controller

Figure in our new enterprise!

Our client is a major and highly profitable International company in the manufacture and marketing of coated fabric labels. Their planned expansion and the establishment of a brand new manufacturing plant in the Manchester area, has created this interesting opening.

Reporting directly to the Managing Director, the person appointed to this key role will be responsible for budgeting, cost accounting, importing and exporting procedures and a wide variety of administrative and financial matters.

Applicants should be self-motivated, ambitious and professionally qualified accountants, with the communicative skills required to liaise directly with clients and suppliers. Broad experience in a manufacturing environment and a knowledge of UK and European tax requirements would be most advantageous.

An attractive negotiable salary and benefits package is offered along with excellent prospects for career advancement.

Please write with full c.v. and present salary, to John Smith, PER, Lowry House, 21 Marble Street, Manchester M2 3AW. Telephone: 061-832 3366.

PER

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Financial Controller

South/West Midlands — **c £20,000 + Car + Benefits**

Our client is a profitable subsidiary of a major public group engaged in the manufacture and worldwide distribution of a range of well known food products.

A top flight Financial Controller is currently sought to report to the Managing Director and assume full responsibility for the finance function. Particular emphasis is placed on strategic planning, the identification and evaluation of new business opportunities, including company acquisitions, and the provision of broad based financial advice to other members of the senior management team. The encumbent will receive considerable exposure to an international marketing environment and will be expected to undertake an element of overseas travel.

Candidates, aged 26-35, should be qualified accountants with an agile, analytical mind, an outgoing personality and a strong commercial outlook. Previous experience within a forward looking consumer orientated or high volume industry would be a distinct advantage.

An attractive remuneration package is offered along with relocation expenses where appropriate.

Interested applicants should write to Dean Gollings quoting reference B6190, at Michael Page Partnership, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

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WEST COUNTRY GENERAL PRACTICE PARTNER DESIGNATE AND TECHNICAL/TRAINING PARTNER DESIGNATE

ACAs 26 – 33 — **both to £25,000 + car**

Our client is a major independent West Country firm of chartered accountants which has enjoyed rapid growth combined with a modern and cost effective approach to client advisory work. It has an urgent need to recruit a general practice partner designate and a technical/training partner designate.

Candidates should ideally have good academic and professional backgrounds reflecting both small and large firm experience. For the technical/training role previous experience is not a pre-requisite but enthusiasm and genuine interest in the role certainly is.

A detailed information handout is available on these positions, which can be obtained by contacting George Ormrod BA (Oxon) or Geraint Evans LLB on 01-836 9501 or writing with a copy of your cv to Douglas Llambias Associates Limited at our London office quoting reference No 5413.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Accountancy Appointments

NEWLY QUALIFIED

ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examination.

We propose to publish the list in our issue of Thursday, September 26, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £37.00 per single column centimetre. Special positions are available by arrangement at premium rates of £44.00 per scc. Newly Qualified Accountants, especially Chartered, are never easy to recruit — don't miss this opportunity.

For further details please telephone:

Louise Hunter on 01-248 4864

Financial Times

EUROPE'S BUSINESS NEWSPAPER

Exceptional development opportunity

Young Financial Manager

Thames Valley mid-20s c.£20,000

Mars Confectionery has a record of profitable growth which has made it the leading manufacturer in the UK's biggest packaged-goods market. A key factor in maintaining this impressive commercial success continues to be the effectiveness of our financial management and controls.

Following internal promotions, this challenging opportunity has arisen for an outstanding young accountant to join our highly professional team. Initially, responsibilities will include the management of a small group engaged in financial accounting, but the ability to contribute to the company's overall financial management is also of key importance: you must therefore be capable of expanding the horizons of your role, influencing the business, and gaining acceptance for your ideas.

A qualified accountant in your mid-20s with a good degree, you will already be able to demonstrate an impressive record of achievement — gained either in industry, or in the profession — and you are now looking to broaden your experience in a fast-moving business environment.

First-year earnings of around £20,000 (in a range rising to £28,000) will be backed by a comprehensive non-contributory benefits package including relocation assistance if appropriate. Success in this stimulating role will lead to excellent prospects for further career advancement — not necessarily restricted to financial management — within Mars Confectionery or other Mars Group companies in the UK or overseas.

Please ring or write for an application form to Rob Sawyer, Management Development Manager, Mars Confectionery, Dundee Road, Slough, Berkshire SL1 4JX. Tel: Slough (0753) 23932, ext. 4645.

Mars

Truman Miles

Management Recruitment Consultants

ACA's for Merchant Bank

A respected City House, in the forefront of today's financial service markets, offers an accounting introduction to graduates aged 25-27. Application is not restricted to just the large London Offices, or to Bank Audit experience.

A mortgage subsidy and relocation assistance is provided amongst traditional benefits, together with a good initial salary for these appointments as Chief Accountant of a specialist subsidiary or to the Audit and Investigations team.

The Bank has an excellent reputation for providing career advancement opportunity and will give early recognition to ability and ambition.

Call or write, in confidence, to Bob Miles 01-248 2002/3 and 01-568 0085 (Home) 10/11 Bishops Court, Old Bailey, London, EC4M 7EL.

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Financial Controller

Peterborough c£18,000 + car + bonus

Our client Thermastor Limited is a dynamic, expanding company in the highly competitive home improvements sector. Their annual turnover exceeds £20m and they employ some 900 people nationwide.

An ambitious Financial Controller is now sought to *fulfil* a vital role in the financial management of the company. Reporting to the Group Financial Director, the position carries responsibility for all financial matters with particular emphasis on manufacturing cost control, forward planning and the overall commercial development of the business.

Candidates, aged 28-34, will be qualified accountants (ACA/ACMA/ACCA) with a shirt sleeves approach, a sound record of achievement to date together with strong commercial flair and the ability to communicate at all levels. Previous exposure to a high volume manufacturing environment would be a distinct advantage.

Candidates capable of reaching a board appointment within the next 3 years, should contact Andrew Farr on *021-643 6255 or write to him, enclosing a comprehensive* C.V., quoting ref. 6191, at Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

MP

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Opportunities within Audit

TEXACO

Knightsbridge

One of the world's leading energy companies, Texaco has a significant presence in this country. We market our products throughout the UK, have a refinery at Pembroke, and substantial exploration interests around the coast of Britain. We currently need to fill the following positions within our audit department to ensure departments' compliance with company policies, financial and operating procedures.

Internal Audit Manager

The manager will direct the audit staff to undertake the various audits within our central office, refinery, North Sea areas, depots and terminals and service stations. You will be responsible for investigating and reporting upon any irregularities. You should hold a recognised professional accounting qualification (preferably ACA or ACCA) have a proven track record within audit and supervisory experience.

Auditor/Computer Auditor

We are looking for a field auditor and a computer auditor. The field position will audit the various locations and offices of Texaco in the UK, while the computer audit activity is primarily central office based. Both positions report to the Manager Internal Audit. Preferably you should hold a recognised professional accounting qualification and be working in an audit environment, however, if you have recently qualified as a ACA or ACCA this is an ideal opportunity for your first step into industry. The computer audit position would be open to individuals currently engaged in that activity or for those qualified individuals with an aptitude for a computerised environment.

We offer a salary commensurate with age and experience along with other benefits associated with positions of this nature and a large organisation. For the right person wishing to progress within our organisation, especially into line management, our audit department provides considerable exposure to all facets of the Company's operations.

Please apply in writing giving your full career details to:

Ms A Ellison, Personnel Officer, Recruitment, Texaco Limited, 1 Knightsbridge Green, London SW1X 7QJ.

We are an equal opportunities employer

FINANCIAL DIRECTOR

Property & Civil Engineering

With a Northamptonshire HQ, this broadly based medium sized group has re-structured in response to an ambitious business plan.

In addition to traditional accounting skills, the key requirements are business planning *expertise, treasury skills and a keen and numerate understanding of the property and* construction business. (Ref A754).

DIRECTOR OF FINANCE

Large Solicitors Practice

Based in an expanding part of the Northern Home counties and heading up the Finance Team, this is a new position reflecting the growth and business objectives of this 60 strong practice. Building sound accounting and financial procedures, additional key requirements are the knowledge and ability to progress computerised applications, a working knowledge of relevant taxation and the ability to give sound and timely business advice to the partners. (Ref A764).

These are senior appointments, calling not only for continuous technical input of high order but also for the sort of commercial wisdom that comes from an understanding of the business and playing an active role in a vigorous management team.

In both cases, the remuneration package is attractive and should significantly exceed £20,000. Relocation expenses will be paid, if and where appropriate.

Please write to Dennis Badham in complete confidence.

Tanstead Associates Ltd

Executive Search & Selection

500 Chesham House, 150 Regent Street, London W1R 5FA

LEICESTER HOUSING ASSOCIATION LTD

Leicester Housing Association is a registered Housing Association with 2,250 units in management and an annual programme for 'new-build' and 'rehab' properties in the East Midlands Region, and seeks—

Assistant Principal Finance Officer (Leicester Based)

(Grade 5/6: £7,623-£9,399 p.a.)

This person will be expected to become conversant with the Housing Corporation Schemework *Procedure Guide, Housing Corporation Practice* Circulars, the H.A.G. Allowance Structure and to be able to deputise for the Principal Finance Officer (Capital). The Association has embarked upon an extensive computerisation programme and the successful candidate will be closely involved in the mechanisation of capital accounting and will be also expected to develop, and continually appraise, technical accounting practice and procedure within the Section. Particular reference will be placed on accounting for Special Projects: mixed capital funding: "Improvement for Sale" and Right to Buy.

To meet the requirements of this post, we are seeking someone who is experienced in housing association accounting procedures, and will probably hold an intermediate level accounting qualification.

For application form and a job description, telephone Patricia Hobson on Leicester (0533) 544516.

Completed applications to: David Saviour, Director, Leicester Housing Association Limited, 44, Princess Road East, Leicester LE1 7DQ. Closing date: 16th September, 1985.

NOTE: Leicester Housing Association has adopted a positive-action *policy on race* and housing.

SAGAR-RICHARDS LIMITED a member of the SUTER Group, supplies the world automotive industry with ferrous and non-ferrous components for transmission and specialist applications. The Company, which employs 300, is continuously engaged in market, product and process development.

Finance Director

West Yorkshire : c.£20,000 + bonus + car

As a result of the promotion of our Finance Director within the Group, we are seeking a replacement of similar high calibre to join a team committed to maintaining and improving the Company's position as a market leader.

In addition to providing financial and management accounting expertise essential to a manufacturing exporter and controlling the accounts function, the Finance Director will be expected to make a significant contribution to the general running of the business.

Candidates aged over 30 should be qualified accountants, preferably CMA's, with management experience in high volume manufacturing Companies, ideally engineering exports. Their DP knowledge must be high to enble them to lead the continued development of systems across the Company.

Commencing salary will be c £20,000. There is an attractive benefits package including a results based bonus and quality car. Relocation assistance is available.

Please write in confidence, with full CV to: John P. Tolley, Managing Director, Sagar-Richards Limited, Calderside Works, HALIFAX, HX2 6EL.

MANAGEMENT EDUCATION & TRAINING

SEPTEMBER 27

On Friday, September 27, the Financial Times is proposing to publish a Survey on Management Education and Training. The editorial will cover such subjects as:

INTERNATIONAL COURSES
LEADERSHIP TRAINING
THE MBA
FUNCTIONAL COURSES
DISTANCE STUDIES
TAILOR-MADE PROGRAMMES
FUTURE CHANGES?

For a full editorial synopsis plus details of advertising rates contact:

Penny Scott, Advertising Department
Financial Times, Bracken House
10 Cannon Street, London EC4P 4BY
Telephone: 01-248 8000, extension 3740 or 01-248 2182

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The Caledonian Aviation Group

Chief Internal Auditor

c.£30,000 plus car

Our client, The Caledonian Aviation Group plc, has requested us to advise them upon the appointment of a Chief Internal Auditor, to be based at the corporate headquarters near Gatwick Airport.

Responsibilities involve the expansion of the existing department to include all companies in the Group, as well as the regular review of data processing based financial systems and management controls, plus a wide variety of one-off assignments.

Applicants aged between 35 and 50 will be chartered accountants, with broad financial experience including the management of an internal audit department in a large, complex organisation. Alternatively, applicants may be in the accountancy profession at a senior level with relevant audit experience, some of which may have been gained with clients in the airline, hotel or travel businesses. The ability to communicate comfortably at director level is an essential requirement.

Opportunities for advancement beyond the internal audit function can occur in time.

Please write in confidence enclosing a detailed curriculum vitae, quoting reference F365P, to M.J.B. Ping, at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

E&W Ernst & Whinney

NISSAN

Senior Accountancy Appointments with Nissan

Remuneration circa £18,000 pa plus lease car

Nissan requires two experienced Accountants for its new plant in Washington, Tyne & Wear. Construction of the Phase I assembly plant is progressing well and this is a unique opportunity to influence from the planning stage the shape and success of a new car manufacturing operation. The first phase will cost £50m and build up to assembly of 24,000 cars per annum with subsequent plans to invest a further £300m to achieve a production level of 100,000 cars per annum.

Senior Financial Accountant

An experienced Chartered Accountant is required to assist the management of a busy finance *department with responsibility for financial control including budgets and forward financial planning*, management accounting and treasury matters. A close involvement with the development of integrated information systems will be a key task of the department.

Candidates should be graduate Chartered Accountants having a broad experience of manufacturing operations and at least two years' involvement in the operation of computerised accounting systems. Ref. B.1600A

Senior Cost Accountant

This key appointment will assist in the development of major information systems relating to product accounting and cost control. Responsibilities will include detailed unit costings of all manufacturing processes and assemblies in a sophisticated production environment.

Candidates should be professionally qualified and possess at least three years' experience gained in a *manufacturing company employing standard costing systems. In depth knowledge of product* costing and overhead control systems are essential as are good communication skills. Experience gained in the motor industry would be a distinct advantage. Ref. B.1900A

Preferred age range 28 to 35.

For an application form please telephone or write to Brian Carolin, Personnel Manager, Nissan Motor Manufacturing (UK) Limited, Washington Road, Sunderland, Tyne & Wear SR5 3NS. Tel: 0783 373881. Please quote the relevant reference number when returning the application form. Closing date for applications is 20 September 1985.

Accountancy Appointments

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-638 9216

Scope to head up the treasury function or for a comparable appointment in corporate finance in the U.K. or elsewhere within 18-24 months – share options after 3 years.

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CJA

LONDON **£20,000-£24,000**

HEADQUARTERS OF MAJOR RAPIDLY EXPANDING BRITISH DIVERSE, INTERNATIONAL GROUP – TURNOVER C. £5 BILLION.

Continuing growth results in this new appointment for which we seek applicants, preferably qualified accountants, aged 26-35, with at least three years 'hands-on', sophisticated treasury experience in a large fast moving corporate environment, including negotiation of substantial international borrowings and loan facilities. Working with a small team, responsibilities will cover the preparation of monthly borrowing reports for the Board, arrangements to ensure the most cost effective bank borrowing, preparation of forecasts, monthly cash flow and ad. hoc. investigations. Some U.K. travel will be necessary with overseas travel after the first year. The ability to continually improve methods of cost and financing, tightening cash flow reporting and producing meaningful interpretative reports are key to the success of this appointment. Initial salary negotiable, £20,000-£24,000, contributory pension, life assurance, free medical health cover, assistance with removal expenses if necessary. Applications in strict confidence under reference DGT 4376/FT, to the Managing Director: C.J.A.

A key position – scope to become a manager in 18 months, and to move to a more senior role in 36-48 months.

DEPUTY CHIEF BANKING ACCOUNTANT – TREASURY

ALPS

CITY **£13,500-£17,000 + MORTGAGE**

LEADING BRITISH MERCHANT BANK

This position calls for Accountants, aged 25-33, who need not be qualified, but who have acquired at least an 'A' level standard of education, with not less than 4 years' thorough knowledge of banking accounting procedures in a merchant bank or similar financial environment. The successful candidate will be responsible for the production of treasury results, including sterling and currency turns, FX trading, financial futures, interest rate swaps etc, a bought ledger section, and the development and training of the related bank accounts staff. An innovative mind, the ability to design and implement systems to meet complex requirements and staff management are prerequisites for this job. Initial salary negotiable £13,500-£17,000 + profit incentive, plus subsidised mortgage facility, non-contributory pension, free life assurance, free family BUPA, assistance with relocation expenses if necessary. Applications in strict confidence under reference DCB 098/FT, to the Managing Director: ALPS.

35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 OR 01-588 3576. TELEX: 887374. FAX: 01-638 9216.

ORGANISATIONS REQUIRING ASSISTANCE ON RECRUITMENT – PLEASE TELEPHONE: 01-628 7539

Financial Controller

A role for a fully qualified professional in a fast growing and successful banking organisation.

£20-25,000 + Car + banking benefits

You can't hava failed to have heard of Citibank's international success and the important strides we've been making in consumer banking through Citibank Savings here in Britain.

Promotions and reorganisation of our operations, due to expansion, have now created a need for an additional Financial Controller in this exciting division which has given a new meaning to financial innovation and success.

This role calls for an individual of superior professional stature, with full accountancy qualifications, aged around 30 and earning £20K in your current job.

This is an opportunity for more rewards in both financial and career terms, for in addition to preparing financial programmes and reports, you will be involved in presentations to senior managament and develop a high level of interface throughout the Citibank group.

Working within a qualified team, with experience of computerised systems, you must be able to work to tight deadlines and collaborate on a team basis. A wide range of expertise is therefore expected, to include forecasting, planning and budgetting for month end reports, and receiving and dispensing allocations. Experience of group consolidations will be very important, but this could have been gained in any commercial environment, not necessarily a bank or finance house.

Prospects, long term, are just as you would envisage of a fast growing and highly successful bank, whilst more tangible rewards are equally attractive.

We offer a competitive salary together with usual banking benefits including tha provision of a company car and a subsidised mortgage and loan schema.

Write with full career details to Nigel Rogers, Personnel Manager, Citibank Savings, St. Martin's House, 1 Hammersmith Grove, London W6 0NY.

Citibank Savings

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F.C.A./I.P.A. 28 – 35 **c £20,000 + car**

Our client is the established Insolvency Department of a major international firm of chartered accountants which is seeking to recruit an experienced insolvency manager with the potential to develop through to Partnership in due course.

Candidates should have at least five years' experience, post qualification, of Receiverships, Liquidations, Bankruptcies, Moratoria and Deeds of Arrangement and ideally be members of the Insolvency Practitioners Association.

Candidates should have good academic and professional examination records with a high degree of self assurance.

For more information please contact George Ormrod BA (Oxon) on 01-836 9501 or write with your cv to Douglas Llambias Associates Limited at our London address quoting reference No 5502.

410 Strand, London WC2R 0NS. Tel: 01-836 9501.
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744.
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Financial Accountant
Management Accountant

CENTRAL LONDON **TO £18.8k**

As world leaders with a proven track record in advanced communications systems and inter-related activities, our clients are recognised for their innovative and rapid development in the international market place.

They have recently identified the need for two ambitious and dynamic professionals whose flair, vision and energy will be highly influential in the provision of a corporately-committed financial service.

The ability to respond to demanding targets through a well-controlled and motivated team is pre-requisite as is the ability to be empathetic to the corporate needs of such a high-profile business. The qualifications and requirements for these posts gravitate around the following:—

FINANCIAL ACCOUNTANT:

* Professionally qualified
* Financial and statutory accounts
* Stores accounting and fixed asset systems
* Computerised general ledger
* High level communication ability

MANAGEMENT ACCOUNTANT:

* Qualified or part-qualified + experience
* Budgetary control of a major business
* Management reporting and variance analysis
* Use of computer aids
* Setting up and operation of costing systems

Contact Sylvia Baker on 01-437 6900 who has been retained to advise on the posts
Chesham House, 136 Regent Street, London, W1R 5FA.

DRAKE EXECUTIVE
A Division of
THE DRAKE INTERNATIONAL GROUP
EUROPE NORTH AMERICA AUSTRALIA NEW ZEALAND CANADA

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

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Per Single Column
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TOUCHE ROSS & CO. MANAGEMENT CONSULTANTS

If you find our requirements demanding wait until you get the job

The job is that of a management consultant with Touche Ross & Co., one of the world's largest firms of Chartered Accountants. It's a position that offers considerable challenge and responsibility — matched by an equally substantial reward. Few individuals will take it in their stride. But then, to put it bluntly, even fewer get the chance.

Those who do are usually qualified accountants, aged up to about 40, with a good first degree and several years' commercial or industrial experience. They have intelligence and initiative, drive and ambition, and appreciate that management consultancy demands not simply technical expertise, but practical ability in communicating with clients and solving their problems.

If you think you can join our team, we expect you to be every bit as demanding as the role. You will be based in London and we will pay you up to £26,000 plus a car. We'll give you an exceptional opportunity to increase and broaden your experience, together with the chance to rub shoulders with some of the brightest minds in the business. And if you continue to impress, we're one of the few large firms who'll hold the ladder for you while you climb — and the rungs to a partnership are fewer than you might think.

For the present, however, we'd like to look at your past. So please write to Michael Hurton at the address below, enclosing details of your career to date and your salary record, quoting reference 2309.

Touche Ross
The Business Partners
Hill House, 1 Little New Street London EC4A 3TR Telephone: 01-353 8011

Systems Manager
Merchandise Accounting

Home Counties up to £17,000

Our client is a highly successful ratailing group currently involved in a nationwida expansion programme. Tha company now wishes to identify a Manager to take up a newly created senior appointment within its Merchandise Accounting section – covering accounting control of distribution centres and stores administration.

This is a key position in a department which is being restructured to improve the efficiency of existing practices and to manage the implementation of computerised systems in support of marchandise accounting and stores administration. Practical working knowledge of computerised operations from a user viewpoint is fundamantal as a prime task will be to davelop and implement systems.

The successful candidate could be a qualified accountant (ACA/ACCA/ICMA) ... or a systems specialist with good accounting knowledge and in-depth experience of computer systems, preferably gained within a retail anvironment. Experiance of planning and managing tha implementation of packaged software systems would be particularly useful. Initiative and determination coupled with well developed interpersonal skills are essential.

The salary offered will reflect your qualifications, experiance and tha importance of this appointment. Large company benefits include free medical insurance and relocation expenses where appropriate. A company car will be provided subject to the successful candidate achieving the appropriate level of qualification.

In the first instance, please write, anclosing your cv including current salary and quoting reference 1977/YC on your envelope. Please list separately any companies to whom you do not wish your details to be sent. CVs will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

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FINANCIAL ACCOUNTANT

-C £16k plus Company Car

The Megaleasing group of companies specialises in the sale, lease and rental of new and second-user IBM hardware.

The group is currently undergoing a period of rapid expansion and this has created an exciting opportunity for a qualified accountant (preferably a graduate) to take control of the full accounting function.

Energy and enthusiasm as well as excellent technical skills are essential requirements. Experience in the installation of computer systems would also be an advantage.

Please apply in writing with a full c.v., marked private and confidential, to the Company Secretary, Megaleasing UK Ltd., Rythe House, 2 Littleworth Road, Esher, Surrey KT10 9PN.

Luxembourg

Audit Supervisor To L.F. 1.4 Million
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We have been retained by two leading firms of International accountants to recruit staff for their expanding practices in the Duchy of Luxembourg, due to the increasing importance of the country as a major financial centre.

The work will provide a high degree of exposure to the banking and insurance sectors, investment funds and financial holding companies, as well as traditional experience of manufacturing audits. Candidates should have from one to three years' post qualification experience. An interest in and some working knowledge of computer audit techniques plus fluency in, or a willingness to learn, a second language (French/German) would be an advantage. Long term prospects within the firms are excellent and all the usual benefits associated with an international practice apply. Candidates should apply in confidence to Charles Cotton.

Accounting Staff Appointments,
6/8 Sackville St, London W1. 01-439 1771.

International Recruitment Consultants
ASA GROUP
Glasgow
Aberdeen
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London

Accounts Manager

London £25,000 plus banking benefits

Our client is a major banking group with worldwide interests. An interesting opportunity has arisen in the central finance division of the group for an ambitious chartered accountant who can offer experience and an understanding of banking.

The accounts manager will coordinate and supervise the financial activities of a diverse geographical banking network. Monthly forecasting and financial analysis will form an important part of the role. There will be the opportunity to gain a detailed insight into all financial aspects of the banks operations, and to present workable schemes to senior management.

Applicants aged 30 to 35 must be chartered accountants, with experience of working in or auditing a major bank.

The remuneration package is most attractive and the salary is negotiable according to background and experience.

Please write in confidence enclosing a detailed curriculum vitae, quoting reference F375P to M.J.B. Ping, at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

SYNDICATE ACCOUNTANT

Circa £20,000 - Car

Lloyds underwriting agency managing marine, non-marine and aviation syndicates with £100m capacity seeks experienced accountant, qualified or unqualified.

Will initially understudy present incumbent and take over when he retires.

Location EC3. Moving to new Lloyds building. Age unimportant. Experience in Syndicate Accounting essential.

G. Hamill, F.C.A., A.C.M.A., M.B.A. (Harvard)

Financial Control Personnel
Saint Giles Lodge, Amersham Road, Chalfont St. Giles, Bucks. HP8 4RZ. Tel: (02407) 4291.

GUIDE TO RECRUITMENT CONSULTANTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We will be including in this feature "The Newly Qualifieds' Guide to Recruitment Consultants."

Entries in the Guide will be charged at £55 which will include company name, address and telephone number. Extra lines will be charged at £11 per line.

For further retails please telephone:
Louise Hunter on 01-248 4864

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday August 29 1985

Bayer reports sturdy boost in first-half earnings and sales

BY JONATHAN CARR IN FRANKFURT

BAYER has become the last of the big three West German chemical concerns to report a sturdy increase in first-half profits and sales revenue.

Bayer's world group pre-tax profits rose by 16 per cent agınst the same period of 1984 to DM 1.73bn ($629m) on sales up by 12.3 per cent to DM 24.59bn.

Last week, Hoechst reported group pre-tax profits up by 11.5 per ceat to DM 165bn, while those of BASF soared by 37.3 per cent to DM 1.72bn.

All three companies have continued to benefit from strong foreign demand, boosted over the first half year by a D-Mark still relatively weak against the U.S. dollar.

First-half results for Bayer AG, the parent company, show pre-tax profits jumping by 25.8 per cent to DM 830m on sales revenue up by 8.9 per ceat to DM 9.41bn.

While domestic sales were up by just 5.6 per cent, those abroad rose by 10.7 per cent. The export share of overall sales has thus increased to 66.7 per cent in the first half, compared with 65.7 per cent in the same period of 1984.

Bayer said business continued to be satisfactory in the second quarter, and that the higher revenue was due almost entirely to a bigger sales volume.

As e result, use of capacity remained high at Bayer's plants, and first-half profits could be raised despite higher energy, raw materials and personnel costs.

Bayer expects world group fixed asset investment this year to total about DM 2bn and that of the parent company alone about DM 800m. It makes no direct comment on the business outlook, but it is generally expected that the chemicals sector will continue buoyant at least through this year.

All three major German chemical concerns increased their dividends on last year'e earnings for the second year in succession.

Swedyard proposes rescue for Consafe

By Kevin Done, Nordic Correspondent, in Stockholm

TRADING in the shares of Consafe, the financially troubled Swedish offshore services group, was suspended yesterday as the company's main board met to consider a new rescue offer from Swedyard, the Swedish state shipbuilding group.

Swedyard is Consafe's main creditor and has guaranteed around 80 per cent or about SKr 2.3bn ($277m) of the group's total long-term debts of around SKr 3bn. It is offering "substantial aid," chiefly in the form of new loans and guarantees.

Consafe, the world's largest operator of offshore accommodation platforms, has been fighting since early July to stave off financial collapse in the face of expected losses for 1985 of up to SKr 400m. Large parts of its fleet have been laid up without work for several months.

Swedyard said its rescue package was aimed both at solving Consafe's acute liquidity needs and at allowing a long term restructuring of the company's operations.

Under the terms of the rescue, Consafe would be forced to sell off a substantial part of its fleet and to concentrate only on the operation of offshore accommodation and service platforms, most of which have been built by Swedyard.

It would be forced to sell – probably at a considerable loss – two of its most modern units, two diving and service platforms, which have recently been built at a total cost of around SKr 1.6bn, but for which Consafe has found little work.

In addition the group would be forced to sell off its drilling rigs and smaller coastal accommodation (hotel) barges.

Swedyard said that Consafe would have to raise new capital through a share issue, which would also be aimed at changing "the ownership structure" in the group.

Swedyard is insisting that, as a precondition for the rescue, the group's other creditors – led by Skandinaviska Enskilda Banken – should also contribute new loans.

INTERNATIONAL BONDS

Appetite for $ issues tested

INVESTOR APPETITE for dollar straight Eurobonds was severely tested yesterday by three aggressively priced issues launched with the encouragement of e firm market overnight in New York, writes **Alexander Nicoll in London.**

A $100m five-year issue for Security Pacific Australia, guaranteed by the parent U.S. holding compaoy, found the going hard. With Salcmon Brothers International running the books, it has a 9⅝ per cent coupon and e price of 100¼ per cent. Indicated quotes in the market ranged as far as 2½ points below the issue price, well outside the 1⅞ per cent total fees, although Salomon said the deal was "in good shape."

Also finding the going somewhat sticky was a $100m eight-year issue from Pillsbury, the U.S. food concern. Terms for this single-A borrower were more generous with a 10¼ per cent coupon and par pricing. Credit Suisse First Boston is book-runner, and the issue was seen at or just outside its 2 per cent total fees. The issue was brought out early in the day to capitalise on the recent dearth of dollar issues, and was syndicated without difficulty.

Trading within its fees was a $100m seven-year issue for Japan Development Bank, carrying a Japanese government guarantee. LTCB International is leading the deal, which has a 10 per cent coupon and e price of 101¼ per cent. It is being swapped into fixed rate yen.

LTCB said the deal is intended to be globally placed rather than simply targeted at its home country. Nevertheless, its "sushi" status aided its reception, since the terms were seen as tight even for a Government-guaranteed borrower.

Also launched yesterday was Public Power Corporation of Greece'a $180m floating rate note, led by Orion Royal Bank and convertible into an Ecu security.

Orion led one of two new issues in the Canadian dollar sector, a C$75m five-year bond for GMAC (Canada), guaranteed by General Motors Acceptance Corp. It has e 10⅜ per cent coupon and 100¼ per cent price. Terms were seen as fairly tight, but the issue had an easier welcome than a C$75m seven-year bond for Sears Acceptance Co, guaranteed by Sears Canada. It is priced at par with e 10⅝ per cent coupon, and is led by Wood Gundy.

Hong Kong's Mass Transit Railway Corporation, wholly owned by the colony'e Government, made its first entry into the Eurobond market after financing the construction of its underground railway system from other sources since the 1970s. Led by Banque Paribas Capital Markets, its Ecu 50m 5½ year issue is priced at par with a 8¾ per cent coupon.

In Switzerland, a SwFr 120m eight-year convertible issue was launched for Fuji Bank. Led by Credit Suisse, the issue's indicated yield of 1½ per cent would be the lowest yet seen for a public issue. Final terms will be set oo September 2.

Honshu Paper is making a SwFr 50m five-year convertible issue guaranteed by Dai-Ichi Kangyo Bank and led by Credit Suisse. Indicated yield is 3¼ per cent. Final terms are due September 9.

In a market which saw little price but increased trading volume, Mobil's SwFr 150m dual currency issue ended its first day's trade at 95¼ per cent against a par issue price.

Mobil is also due to issue today a FFr 500m five-year issue, with a 11½ per cent coupon and par pricing, led by Société Générale with Morgan Guaranty as co-lead. The proceeds will be swapped into fixed rate dollars.

In West Germany, market expectations of the September new-issue calendar due to be unveiled today have been stepped up to a total of about DM 4bn, including a high proportion of floating-rate notes. Investor demand yesterday was aided by continuing expectations of lower interest rates, and prices were elightly higher.

Bulgaria in further $100m credit deal

By Peter Montagnon in London

BULGARIA is returniag to the Eurocredit market for a further $100m, just three months after launching its first major borrowing operation in the West since 1979.

Its new deal is an eight-year credit led by Sumitomo Bank and bearing interest at a margin of ⅜ per cent over Eurocurrency rates. Repayments begin after a grace period of five years.

These are finer terms than those obtained by Bulgaria on its previous borrowing which carried e margin of ⅜ per cent for four years, rising to ½ per cent for the remaining three.

That deal, which was arranged by Moscow Narodny Bank and National Westminster, was, however, heavily oversubscribed and doubled in amount to $200m.

Sumitomo said yesterday that this was expected to be Bulgaria's last borrowing operatioo for 1985. Although Bulgaria has giveo no clear indication of the use to which the funds will be put, it is known to be planing a major boost to its industrial investment programme costing the equivaleot of about $15bn over the next five years.

This has fuelled speculation that Bulgaria could become a regular borrower on the Euromarkets.

Gains seen at two Canadian banks

TWO LEADING Canadian banks report sharply higher third-quarter profits. Bank of Montreal, Canada's second-largest banking group, boosted net earnings by 42.5 per cent to C$90.5m ($67m), or C$1 a share from C$63.5m or 71 cents a year earlier,writes Bernard Simon in Toronto.

Bank of Nova Scotia, Canada's fourth largest bank, lifted third-quarter net income to C$76.1m or 47 cents a share from C$60.8m or 38 cents. Return on assets improved from 0.42 per cent to 0.51 per ceat.

Hoechst to sell last polystyrene plant

BY JOHN DAVIES IN FRANKFURT

HOECHST, the West German chemical concern, is planning to stop its production of polystyrene by negotiating the sale of its plant at Breda in the Netherlands to the Shell oil and chemical group.

The move comes soon after Hoechst agreed to sell its other polystyreoe plants in the U.S. to Huntsman Chemical Corporation.

Hoechst's plan to move entirely out of polystyrene production is a significant step in the restructuring of its plastics operations. It aims to concentrate on types of plastics where it enjoys a stronger position and where it sees better long-term poteotial, including engineering plastics.

Hoechst and Shell confirmed that they were holding discussions about the takeover of the Breda plant, due about the beginning of next year, but gave no details of the likely purchase price.

The Breda plant has annual capacity of 80,000 tonnes of general purpose polystyrene (a solid plastic used in kitchenware and toys) and 70,000 tonnes of expandable polystyrene (a foam-like material used for cavity-wall insulation in houses and for packaging).

Hoechst said that the Breda plant was a profitable part of the group's Dutch operations. Hoechst's Dutch subsidiary had total sales revenue of Fl 1.8bn ($580m) last year.

Publishing group sees half-year drop

BY BERNARD SIMON IN TORONTO

INTERNATIONAL THOMSON Organisation, the publishing, travel and energy group controlled by the Thomson family of Toronto, suffered a decline in net earnings to £41m ($56.9m) or 14 pence a share in the six months to June 30, from £53m or 18.2 pence a share a year ago.

The drop, however, is entirely due to an extraordinary gain of £19m in the first half of last year from the sale of shares in Reuters Holdings. Before this extraordinary item, earnings in January-June 1984 totalled £34m or 11.7 pence a share. Sales have risen from £783m to £849m and trading profit from £57m to £85m. Cash balances were £28m higher at the end of June than six months earlier.

The company said that results of its publishing and information businesses in Britain and North America are in line with expectations. Although the travel group's first half results were above target, bookings have been "disappointing" this summer and a weaker second half is expected.

Oil and gas profits were slightly ahead of last year with the strong U.S. dollar compensating for lower oil prices. International Thomson said it had decided to develop the Scapa field in the North Sea, subject to British Government approval.

The company spent £176m in the first half on acquisitions and new investments, net of disposals.

Westinghouse plans sale of cable TV unit

BY WILLIAM HALL IN NEW YORK

WESTINGHOUSE ELECTRIC, the Pittsburgh-based conglomerate, yesterday put its U.S. cable television business up for sale in a move which could raise over $2bn. The planned sale of the four-year-old cable TV operation, the third biggest system in the U.S., is the main element of a major corporate restructuring which was unveiled yesterday and is designed to continae the corporatioa's record of improving financial performance.

The group also plans to spend close to $1bn buying back up to 25m of its outstanding shares or 14.9 per cent of its total equity. After the announcement Westinghouse share jumped sharply on Wall Street closing $4⅝ higher at $37⅞.

Mr Douglas Danforth, Westinghouse's chairman, said yesterday that the decisioa to explore the sale of the group's cable TV business was "timely and appropriate from the standpoint of maximising shareholder value."

Westinghouse officials said that the move should not be viewed as a defensive ploy to make the company less attractive as a takeover target.

Westinghouse's financial performance has been lackiustre over the last few years and when Mr Danforth was brought in as chairman just under two years ago he committed himself to revitalising one of America's biggest industrial groups which has annual sales of over $10bn and employs around 130,000 staff around the world.

Norwegian group plans new plant

By Fay Gjester in Oslo

NORSK-HYDRO, the Norwegian industrial and energy group, yesterday announced tentative plans to approximately double its world output of magnesium metal, through the construction of a NKr 1.8bn ($219m) plant in Canada, with a capacity of 50,000 tonnes yearly.

A project study will be undertakea, with financial support from the Canadian authorities, and the participatioa of Canadian engineers. A final investment decision will be takeo late aext year.

The site chosen is at Becancour, on the St Lawrence river in Quebec province. The company says it has excelleat port and transport facilities. The plant will be Hydro's first major magnesium extraction plant outside Norway. The company produces about a quarter of the western world's magnesium, a metal now mainly used in aluminium production, but with increasing application in the motor vehicle compoaent industry.

The new facility would be on stream early in 1989, with most of its output going to the U.S. and other export markets. Hydro says the plant will be designed so it can be expanded according to market needs. It will utilise the advanced extraction technology developed by Hydro and being used by the company's magnesium plant in Porsgrunn, eastern Norway. This method uses oxide and magnesium chloride as raw materials.

Its capacity is currently being increased from 50,000 to 60,000 tonnes a year.

Same agrees on staff layoffs with unions

BY JAMES BUXTON IN ROME

SAME, Italy's second manufacturer of tractors after Fiat, has reached agreement with the trade unions on a substantial reduction in staff to cope with the sharp fall in demand for tractors over the past four years.

About 458 workers are to be put on permanent state-subsidised layoff, bringing the number of those effectively employed down to just over 2,000. The layoffs will be accompanied by provision for the early retirement of 150 workers and the others will go on to part-time.

Same, which is a family-owned group, had originally intended to dismiss more than 500 men but after a three-month dispute with the unions has settled for less drastic measures.

The company makes tractors both under the Same and Lamborghini marques. It has about 23 per cent of the Italian market and between 7 and 8 per cent of the European market. But, along with other tractor manufacturers, Same has suffered a heavy drop in sales, from 33,000 machines in 1980 to 21,000 machines in 1984.

Sales revenue last year was about L400bn ($216.8m) and the company made a loss which Same officials yesterday refused to quantify. In 1983, Same had sales of L403bn and made a profit of L64m.

In the past few months, Same has had a major management shake-up. The long-serving managing director, Sig Pietro Recanati, left the company which is based at Treviglio near Milan, and was replaced by Sig Mario Vischi.

● Fiat, Italy's leading private-sector industrial group, is to make a public offer of shares in Sorin Biomedica, its wholly owned biotechnology offshoot, this autumn.

If fully subscribed, the offer should raise about L50.8bn ($27.6m).

Comerica to close offices

By William Hall in New York

COMERICA, a leading U.S. regional banking group with $10bn in assets, plans to either close or sell the bulk of its international banking operations in a move which underlines the steady retreat of the smaller U.S. banks from international lending.

The Detroit-based Comerica announced yesterday that it will sell or close its operations in London, Canada and Hong Kong. This will reduce its international presence to a small office in the Cayman Islands and an inactive office in Mexico.

The bank said that it will not stop all international banking business, but would give priority to domestic concerns.

Comerica will concentrate oo "supporting the international activities fo domestic corporate clients, and will de-emphasise the portion of our international portfolio that is independent of domestic relationships," its statement said.

Mr Donald Mandich, chairman, said yesterday that the current pricing and economics of international business could aot support the costs of offshore offices.

He said that Comerica Bank Canada, which was opened in 1973, tha London-based Comerica Bank-Detroit and the Hong Kong-based Comerica Asia Ltd are profitable, "but are not producing the level of earnings that we could generate by redeploying these assets". The three operations have combined loans outstanding of $225m.

Comerica is the latest in a list of U.S. banks which have been cutting their international operations.

In May Wells Fargo announced plans to close its London operation, and in June Marine Midland gave notice of plans to sharply curtail its international operations.

Montedison, BI-Invest appear close to accord

BY OUR ROME CORRESPONDENT

THE BATTLE between Montedison, Italy's leading chemical group, and the BI-Invest financial and property group appears to be close to a settlement.

Sig Franco Mattei, chairman of Gemina, an industrial holding company which is Montedison'e largest single shareholder, said on Tuesday night that Gemina'e controlling shareholders had reached agreement at a meeting on the outline of an understanding between Montedison and BI-Invest.

But both Montedison and BI-Invest said yesterday that no agreement had yet been finalised and that the boards of both concerns would have to meet to approve whatever was decided. This is likely to happen in the aext few days.

The battle began in July when Mootedison acquired via stock exchange a 37 per cent stake in BI-Invest. This exceeded in size the stake in the company held by the family of Sig Carlo Bonomi, BI-Invest's chairman. It also meant that Montedison indirectly controlled shares in itself.

Sig Bonomi counter-attacked by taking a 2 per cent stake in Montedison itself which under Italian law prevented Montedison from exercising its voting rights over BI-Invest. BI-Invest also went to court to try to block Montedison.

Hyundai builds Canadian plant

By Robert Gibbens in Montreal

HYUNDAI, the Korean vehicle and engineering group, has agreed to locate a C$200m ($148m) small car assembly plant in the Montreal area in what will be its first assembly plant outside Korea.

The plant will start up in 1988 and will form part of Hyundai's plans to enter the U.S. market. It will have an initiel capacity of about 80,000 cars a year.

Hyundai is building the plant in the Montreal area in preference to southern Ontario, where Canada's vehicle industry is concentrated, with the exception of a medium-sized General Motors plant in Montreal, producing mainly for the North-east U.S. market.

Nat-Ned sees rise in earnings

BY OUR FINANCIAL STAFF

NATIONALE NEDERLANDEN, the leading Dutch insurance group, yesterday forecast higher profits for 1985 after an increase in first-half results.

The company, which turned in net profits of Fl 522.9m ($187m) in 1984, said earnings for the current year were expected to rise to about Fl 600m.

For the first six months, net profits have improved to Fl 260.3m from Fl 239.3m after an increase in total revenue to Fl 9.23ba from the Fl 8.53bn of the 1984 half-year.

On increased capital, earnings per share have dipped to Fl 2.50 from Fl 2.70. But Nat-Ned emphasises that unit earnings for the whole of 1985 are not expected to fall short of the Fl 5.70 of 1984.

The interim dividend is Fl 1.15 a share, compared with an effective Fl 1,125 a year ago. The 1984 total payment was Fl 2.30.

Cincinnati retailer doubles result

By Our New York Staff

U.S. SHOE Corporation, the Cincinnati-based footwear and clothing store group, more than doubled its second quarter net income to $7.5m helped by a 15 per cent rise in sales to $440m.

The group says that tha earnings of its enclosed mall women's apparel stores were ahead significantly in the second quarter. This side of its business had unit gains of 8 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for August 28.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 10⅞ 00	100	101⅞	102⅜	+0¼	+0½	10.25
Amex Credit 12⅜ 88	150	106⅝	107⅛	+0¼	+0⅞	9.94
Atlant Richfld 10¾ 00	250	95⅝	96⅛	+0⅜	+1⅛	10.81
Australia Com 11¼ 00	100	103⅜	103⅞	+0½	+0¾	10.73
Australia Com 11 00	200	103¼	103¾	+0⅜	+1	10.39
BP Capital 11⅛ 92	150	102	102½	+0⅜	+0¾	10.58
Canada 11½ 90	500	105⅞	106⅜	+0⅜	+0¾	9.74
Canadian Pac 10¾ 93	150	100¾	101¼	0	+0½	10.54
Canadian Pac 12½ 99	75	107½	108	+0⅜	+0¾	11.38
CBS Inc 11⅜ 92	100	†104⅛	104⅝	+0½	+0¾	10.45
Chevron U.S.A. 12¼ 89	600	105¼	105¾	+0¼	+0¼	10.52
Citicorp 11½ 95	150	101⅜	101⅞	+0⅛	0	11.20
Coca Cola 11¾ 91	100	107⅝	108⅛	0	+0⅛	9.95
Denmark Kingdom 11¼ 89	100	102¾	103¼	+0¼	+0¼	10.20
Denmark Kingdom 11½ 90	100	104⅜	104⅞	+0¼	+0⅝	10.18
Denmark Kingdom 11½ 92	100	104½	105	+0⅜	+0¾	10.44
Denmark Kingdom 13¼ 91	100	111⅜	111⅞	+0⅜	+0½	10.55
E.D.F. 10 95	225	96½	96⅝	+0¼	+0⅝	10.60
E.E.C. 11⅛ 00	100	103½	104	+0⅛	+0⅜	10.60
E.I.B. 12 95	200	107¾	108¼	+0½	+1	10.61
Export Dev Corp 10 90	100	100¼	100¾	+0¼	+0¾	9.84
Export Dev Corp 12 88	100	105⅜	105⅞	+0¼	+0¼	9.96
Fed Dep Stores 10⅛ 95	100	97¼	97¾	+0¼	+1	10.53
Ford Motor Cred 11⅜ 90	100	102⅝	103⅛	+0⅛	+0¼	10.49
Ford Motor Cred 11⅜ 95	100	103	103½	+0⅜	+0⅝	11.03
Ford Motor Cred 11¾ 92	100	103⅞	104⅜	+0⅜	+0½	10.82
Ford Motor Cred 12 95	100	105½	106	+0⅛	+1⅛	10.97
Gen Elec Credit 10¾ 00	200	101	101½	+0½	+0½	10.07
GMAC 10¼ 89	200	101¼	101¾	+0⅜	+0⅝	9.73
IBM Credit 10⅜ 2000	300	102¼	102¾	+0⅛	0	10.02
Japan Air Lines 13⅜ 94	100	†118	118½	+0¼	+0¾	10.16
Kellogg Company 10⅞ 90	100	103⅜	103⅞	+0¼	+0⅞	9.78
Kellogg Company 11¼ 92	100	104½	105	+0⅜	+1	10.17
L.T.C.B. 12⅞ 91	150	110⅛	110⅝	+0⅛	+0⅝	10.49
Macy Cred Corp 11¾ 95	100	105½	106	+0¼	+0⅞	10.79
Mellon Bank 13 87	100	105¾	106¼	+0¼	+0½	9.97
Merrill Lynch 12¾ 89	100	106¼	106¾	+0¼	+0½	10.69
Minnesota 11½ 87	100	103¾	104¼	0	+0⅜	9.31
Mitsui Trust 11⅜ 90	100	103	103½	+0⅜	+0½	10.67
Morgan Guaranty 12⅜ 89	100	107⅛	107⅝	+0¼	+0⅝	10.08
Penney J.C. 12¾ 91	100	†108¼	108¾	+0¾	+1¼	10.56
Pru Realty secs 12⅞ 95	546	106⅞	107⅜	+0¼	+0½	10.85
Qantas Airways 10⅜ 00	140	98½	99	+0⅜	+1⅛	10.41
Quebec Hydro 11½ 92	100	104	104½	+0¼	+0⅞	10.61
Queensland Govt 10¼ 95	100	99	99½	+0⅜	+0⅞	10.54
Ralston Purina 11¾ 00	150	105¼	105¾	+0¼	+0⅞	10.78
Ralston Purina 12¼ 90	100	108⅛	108⅝	+0¼	+0½	10.16
Saskatchewan 10¾ 92	100	103¼	103¾	+0⅜	+0¾	10.28
Saskatchewan 11⅞ 00	100	105¾	106¼	+0⅛	+0⅜	10.03
S Wales Tray 11¾ 00	150	105½	106	+0⅛	+0⅜	10.11
Swed Exp Cred 10 92	100	97¾	98¼	+0¼	+0⅛	10.41
Swed Exp Cred 12¼ 89XW	100	100	100½	+0¾	+0⅝	10.12
Sweden Kingdom 10⅞ 00	200	102⅝	103⅛	+0⅜	+0¾	10.05
Sweden Kingdom 11½ 89	200	104⅞	105⅜	+0¼	+0⅛	9.94
Sweden Kingdom 11¾ 94	100	105¾	106¼	+0⅜	+0⅞	10.68
Tenneco Corp 10¾ 95	100	100¾	101¼	+0¼	+0¾	10.57
Texaco Capital 11⅛ 00	250	102	102½	+0¾	+0⅞	10.72
Total Asa 11½ 95	100	103	103½	+0⅜	+0⅞	10.92
Victorian Rep 11⅜ 92	150	104⅞	105⅜	+0¼	+0⅝	10.40
World Bank 10⅛ 95	300	98½	98⅞	−2⅛	−2⅛	10.30
World Bank 12⅞ 94	200	112½	112⅞	+0¼	+0½	10.67

Average price change On day +0¼ on week +0½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	107¼	108	+0½	+0⅝	6.84
Austria Republic 7⅝ 94	200	105¼	106	−0⅛	+0¼	6.73
Baxter Travenol 7¼ 95	200	102⅛	102⅝	0	+0¼	6.73
Copenhagen 7¾ 95	150	101¾	102½	+0⅛	+0¼	7.65
Credit National 8⅛ 94	200	108½	108⅞	+0¼	+0½	6.76
E.I.B. 7¼ 94	300	104	104½	+0¼	+1⅛	6.62
Escom 8 92	100	96¾	97½	+0¼	+1⅛	8.57
Ex-Im Bk Korea 7⅜ 00	100	98	98½	−0⅛	+0⅛	7.61
Ferrovie Dello Stato 8 91	100	†107	108	0	+0½	6.35
Finland Republic 7 92	200	101⅝	102⅝	0	+0¼	6.60
Gould Int Fin 7⅜ 01	100	106⅜	107⅛	+0⅛	+1	6.18
Ireland 8⅛ 92	150	105⅞	106⅝	0	+0¼	6.92
Japan Fin Corp 7⅜ 91	100	105⅝	106⅜	0	0	6.36
Mitsubishi Hvy 3½ 89WW	300	151	152	−2½	11⅝	−8.22
Mitsubishi Hvy 3½ 89XW	300	98	98¾	−0¼	−0¼	5.98
Mitsubishi Mat 3⅝ 89WW	100	107⅞	108⅛	+0¼	+1⅝	1.12
Mitsubishi Mat 3⅝ 89XW	100	90⅞	91⅝	0	+0⅛	5.45
Quebec Hydro 7⅛ 95	200	103⅜	103⅞	+0¼	+0⅝	6.61
Rente 7¾ 95	100	104½	105	0	+0½	7.05
Rendown 3½ 90	00	106¾	107¾	−0¼	+1	1.56
Soc Cent Nuclear 7¼ 95	150	101½	102¼	+0½	−0⅛	6.98
Societe Cent Nuclear 8 91	100	107¼	108	+0⅛	+0½	6.39
Sth African Tran 7⅜ 92	100	93⅝	94⅜	−0⅛	−0¾	8.77
World Bank 7 95	600	†102⅜	102⅞	−1⅛	−1⅛	6.63
World Bank 7¾ 89	100	103¾	104⅛	−0⅛	+0⅛	6.48

Average price change On day −0¼ on week +1

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev Bk 6¼ 94	100	†101½	101¾	0	−0¼	6.01
Avon Cap Corp 5⅜ 94	130	†99¼	99½	+0¼	+0¼	5.46
Brit land Comp 6½ 99	75	†103½	104	+0½	−0⅜	6.09
Council of Europe 6 92	120	†103¾	104	+0¼	−0¼	5.34
Creditanstalt 5½ 94	100	†98½	99	−0¼	−0⅜	5.67
Deutsche Bk Fin 5⅜ 95	100	†101	101¼	0	0	5.22
E.I.B. 5⅞ 94	120	†102	102¼	+0¼	+0¼	5.57
Export Dev Corp 5⅞ 92	125	†101½	101¾	+0½	+0¼	5.59
Gen Occidentale 4½ 94	80	†103	103¼	+0½	−1½	4.09
J C Industries 5⅝ 94	125	†101	101¼	−0¼	+0½	5.46
Ind Fund Fin 5¾ 94	40	†102	102¼	−0½	+0½	5.45
Int-Am Dev Bk 6⅛ 94	120	†103	103¼	+0¾	+0⅝	5.60
N.Zealand steel 5¾ 96	70	†98¼	98½	0	+0¼	5.82
Oberos Kftwk 5⅜ 95	100	†98½	98¾	−0¼	−0¼	5.56
Ralston Purina 5⅜ 94	125	†101	101¼	0	+0½	5.21
Santos Finance Ltd 6 94	130	†99½	99¾	0	+0½	6.05
Tokyo Elec Pwr 5½ 93	120	†100¼	100½	+0¼	+0¼	5.43
Tokyo Metropolis 5¼ 94	80	†99	99¼	+0½	+0½	5.37
World Bk 5¾ 94	100	†101	101¼	−0¼	0	5.50

Average price change On day +0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Finland Republic 6¾ 90	15	100¾	101¼	+0⅛	+0¼	6.48
Gdyr Tr & Rubber 7⅛ 95	25	100⅛	100⅝	+0¾	+1⅛	7.06
Mort Bk Denmark 7 92	10	100½	101	+0¼	+0¼	6.85
New Brunswick 7⅛ 95	10	102⅜	102⅞	+0⅜	+0½	6.75
Swed Exp Cred Zero 90	14	72⅜	72⅞	+0⅛	+0⅜	6.59

Average price change On day +0⅜ on week +0⅝

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Com 12⅞ 90SA	125	100⅞	101⅞	+0¼	−0¼	12.47
Citicorp Aust 13½ 88SA	40	100¾	101¾	0	−0½	12.91
CSR Finance 13¼ 90 SA	40	99⅞	100⅞	0	0	13.11
Nissho Iwai 13¾ 90 SA	30	100⅛	101⅛	0	−0½	13.03
Amex 10¾ 90 CS	50	101⅛	101⅝	+0½	+0⅜	10.35
Genstar Fin 11¾ 95 CS	75	98⅝	99⅛	+0½	+0⅝	11.99
Hemil-West'h 10¾ 95CS	25	†95¼	95¾	0	+0¼	11.56
Loblaw Cos 11⅜ 92 CS	60	†100¾	101¼	+0¼	+0⅛	11.38
New Brunswick 11⅜ 95CS	75	†102⅜	102⅞	−0⅛	+0¾	11.11
Shell Canada 11¼ 92 CS	75	101½	102	0	0	10.88
Winnipeg City 10⅝ 90CS	50	98⅝	99⅛	+0⅜	−1½	10.92
Chrtal Bk 16¼ 88 NS	50	93	94½	0	0	18.16
DG Bank 16½ 90 NS	75	103¼	104¼	0	0	15.35
Westpac Bk 10⅛ 88 NS	00	98	99	0	0	16.89
Creditanstalt 8⅞ 94ECU	60	99⅞	100⅜	0	+0¾	8.84
Motorola 8⅞ 92 ECU	00	00½	99⅝	−0⅛	+0⅛	8.09
Walt Disney 9⅛ 95 ECU	00	102⅝	103⅛	0	0	8.66
Eurofima 7½ 92 FL	50	†104¾	105¼	0	+0⅛	6.34
Philips Lamps 7½ 90 FL	100	†104¾	105¼	0	0	6.22
Rank Xerox 8 90 FL	100	†104¾	105¼	0	0	6.78
Van Lanschot 7½ 90FL	00	†108½	109	−0¼	−0½	6.30
World Bank 7½ 90 FL	150	†105	105½	0	+0⅜	6.17
IBM France 11⅛ 90 FF	700	99⅞	100⅜	0	0	11.07
Australia Comm 11 92 £	40	100½	100¾	+0¼	+0½	10.86
BP Capital 10¾ 92 £	50	99½	100	+0⅜	+0⅜	10.79
E.I.B. 11⅛ 93 £	50	100½	101	0	+0¼	10.85
GMAC UK Fin 10½ 90 £	30	98¾	99¼	+0⅛	+0¼	10.78
Imp Chem Inds 11¼ 85 £	75	100¾	101¼	+0⅛	+0½	11.07
Imp chem Inds 10⅝ 92 £	75	98	98½	+0¼	+0¼	11.12
Mcdonalds 10⅞ 90 £	40	100⅜	100⅞	+0¼	+0½	10.66
Privatbanken 11⅝ 92 £	20	100⅛	100⅝	0	+0⅛	11.76
Rank Xerox 11 92 £	40	99⅜	99⅞	0	+0¼	11.05
Royal Ind 10¾ 92 £	00	97⅛	97⅝	+0⅛	+0⅛	11.31
Royal Trustco 11⅜ 00 £	30	100⅛	100⅝	0	−0⅛	11.32
Ster Drug Cap 10⅞ 00 £	30	99⅝	100½	0	+0¼	10.87
Tricentrol XW x1 92 £	35	94⅞	95⅜	+0⅛	+0⅛	10.97
Tathouse Forte 11⅛ 90£	00	99½	100	+0⅛	+0¼	11.10
World Bank 11¼ 95 £	100	102⅝	103⅛	0	+0⅛	10.74
E.C.S.C. 10½ 94LF	100	102⅝	103⅜	0	−0⅜	9.97
Nat Lux Alum 10½ 92 LF	600	104½	105⅛	−0⅛	−0⅛	8.56

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma 5¾ 92	0	99⅝	99⅞	27/8	9.6	9.62
BankAmerica O/S 5¼ 96	0⅛	99⅞	100⅜	3/9	8⅛	8.11
Bank of Montreal 5 96	0⅛	100¾	101	20/10	8.31	8.24
Bankers Trust 5 2000	0	99⅝	99⅞	11/9	7.69	7.71
Bankers Trust 5¼ 95	0⅛	100¼	100½	13/11	8.31	8.26
B.F.C.E. 5¼ 99	0⅛	100¼	100½	13/9	10.06	10.02
B.N.P. 5¼ 96 (July)	0¼	100	100¼	22/1	8¼	8.24
C.C.F. 5¼ 97	0	99⅞	100⅛	23/9	10⅝	10.63
Chase Man'tn 5 2000	0	99⅝	100⅛	12/11	8⅛	8.14
Chase Man'tn 5¼ 2009	0⅛	99⅞	100⅜	5/9	7.81	7.80
Citicorp O/S 5¼ 98 Sep	0⅛	99⅝	99⅞	19/12	11.19	11.22
Credit Lyonnais 5¼ 96	0⅛	100⅝	100⅞	11/10	9.80	9.82
Ireland 5¼ 97	0	100⅛	100⅜	28/10	9.88	9.89
Ireland 5¼ 99	0	100¼	100½	14/9	10	9.96
Italy, Republic 5 94 •	0⅛	100⅛	100⅜	12/11	8⅞	8.84
Lloyds Bank 5¼ Perp	0¼	99⅞	100⅛	3/12	8	7.97
Midland Bank Perp 5	0¼	99½	100	19/12	8⅛	8.13
Nat West Perp 5	0⅛	101⅛	101⅜	13/11	8½	8.41
Nat West Perp A 5¼ S	0¼	99⅞	99¾	9/1	8¼	8.30
Nat West Perp B 5¼ S	0½	99⅝	99⅞	10/2	8.91	8.93
Queensland Coal 5¼ 96	0¼	100½	100⅞	13/11	8	8.00
Roy Bk Canada 5 2005	0⅛	99⅝	99⅞	5/9	8⅛	8.16
Roy Bk Scot 5¼ 2005 £	0	99½	99⅞	1/11	11.69	11.78
Sweden Perp 5¼	0½	100	100¼	9/1	8.31	8.30
Tokai 5¼ 98	0⅛	100¼	100½	12/12	8⅛	8.09

Average price change On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.94	117⅜	118⅜	+0⅛	10.88
Fanuc 3¼ 98	1/84	7032.3	142⅞	144⅝	+0½	38.13
Fujitsu 3 99	5/84	1320.9	80⅞	81⅞	−0¼	38.72
Kumagai Gumi 3½ 2000	3/85	600	151⅛	153⅛	−0¼	8.38
Marui 3½ 99	7/84	1162	124⅞	126⅛	+2½	3.10
Mitsubishi Elec 2⅞ 00	3/85	472	90½	91½	+0½	1.17
Murata 3½ 98	2/84	2351.2	83⅞	85⅞	−0¼	31.48
Murata 3½ 2000	7/84	2398	82¼	83¾	−0¼	38.88
Nippon Elec 2⅞ 2000	1/85	1295	78⅛	79⅜	+0¼	17.47
Nippon Oil Co 3 2000	5/85	923	100⅛	101⅛	−0½	4.38
Nippon Oil Co 3¾ 99	3/84	1052	†90	102	0	28.88
Old Elec Ind 3½ 99	10/84	805	85⅜	86⅜	+0¼	84.98
Orient Leasing 5¼ 98	6/83	2680	†94	98	−1½	−1.75
Sekisui House 3 99	8/84	612	143⅞	144⅞	+1⅛	1.18
Sumitomo Bank 2¾ 2000	8/85	2142	102½	103¼	0	18.81
Sumitomo Corp 2⅞ 99	5/84	593	118¾	120¼	+0⅛	1.80
Taiyo Yuden 3¼ 2000	3/85	1078	†82	89½	−0½	−4.89
Takeda Riken 5⅛ 2000	10/84	7663	†77	79	0	43.86
Tokyo Sanyo Elec 3½ 99	12/84	772	88¼	90¼	+0¼	4.87
Toshiba Ceramics 3 2000	4/85	1734.2	82	83	−0½	14.88
Nippon Oil Co 2¾ 92 SF	3/84	1057	†104	104½	−0½	88.39
Nippon Shinpan Co 2 92 SF	3/84	001	†97½	98	−0½	18.86
Asics 5 92 DM	12/83	530	186⅛	188⅛	0	32.46
Sum Realty 6¼ 92 DM	2/83	338	282½	284		38⅜ 8.86

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = current coupon. Cr. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Procter in move on takeovers

By William Hall in New York

PROCTER & GAMBLE, the consumer packaged goods giant which earlier this month reported profits down sharply for the first time in more than 30 years is to ask its shareholders to approve a number of anti-takeover provisions.

Procter & Gamble said in a filing with the U.S. Securities and Exchange Commission that "its board has no reason to believe that any party has plans of any kind to seek control of the company." However, the board is seeking shareholder approval of the anti-takeover measures in order to "promote continuity and reduce the likelihood of a sudden disruption in the company's long term policies."

The company is asking its shareholders to agree to the introduction of several measures which will help insulate the giant company from an unfriendly takeover. P&G's shares rose by $¾ to $57⅞ yesterday. Although the group has a stock market capitalisation of $9.7bn, its move to strengthen its defences against an unwelcome takeover reflects growing fears in the boardrooms of America's biggest corporations of vulnerability to the unwelcome attentions of a corporate raider.

Among the measures P&G hopes to have approved are the adoption of staggered terms for directors, an anti-greenmail measure, and the adoption of "super majority" voting requirements which would require 80 per cent approval from shareholders for "major transactions." These would include a merger or tender offer, or asset sales that are not approved by the board.

P&G is also asking holders to increase the number of authorised preferred shares to 500m from 3m and to double the number of authorised common shares.

Perkin-Elmer stays ahead

PERKIN-ELMER, the U.S. precision instrumentation group, achieved a 24 per cent gain in earnings in its 1985 fiscal year, despite lower profits in the fourth quarter caused by a higher tax charge, writes our New York Correspondent.

Net income for the year to July amounted to $82.1m or $1.84 a share, against $66.1m or $1.49 a share in 1984, while sales rose to $1.3bn from $1.18bn.

In the fourth quarter, earnings came to $24.3m, or 54 cents a share, compared with $29.1m, or 66 cents a share, after a tax charge of $12.3m, against tax credits of $2m in 1984. Sales for the last three months amounted to $350.2m compared with $340m.

Lorimar seeks Warner stake

LORIMAR, the Californian TV, film and movie producer, has informed Warner Communications that it intends to acquire up to 15 per cent of its equity – a holding that would cost about $270m at current levels, writes our New York staff.

Warner said Lorimar, which is making a filing on its intentions under the Hart-Scott-Rodino anti-trust regulations, had informed it that the stock was being acquired for investment purposes.

But the announcement is bound to rekindle takeover speculation about Warner, in which the Chris-Craft communications group has a 28 per cent holding.

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INTL. COMPANIES & FINANCE

MIM Holdings returns to profits in final quarter

BY MICHAEL THOMPSON-NOEL IN SYDNEY

MIM HOLDINGS, the big Queensland-based copper-to-coal concern, has steunched its losses with a final-quarter net profit of A$33.8m. However, its total net loss for the year to June was A$18.3m (U.S.$12.8m), against an A$27.2m net profit in 1983-84.

Its recent expansion into coal has stretched MIM greatly, but Sir Bruce Watson, the chairman, said yesterday that improved final-quarter trading had continued into the current quarter, and that MIM was "strongly competitive" once more.

The group is paying a final dividend of 3 cents per share, against last year's total of 5 cents. There was no interim pay-out this year.

MIM is 44 per cent owned by Asarco, the U.S. metals group in which Mr Robert Holmes à Court, the Perth corporate raider, has established e strategic stake. In turn, MIM owns 18.2 per cent of Asarco.

The 1984-85 pre-tax loss of A$50.5m at MIM was softened by an A$32.2m tax credit, while its final-quarter net performance was boosted by the disposal of A$16m worth of assets that it declines to describe as extraordinaries. They included a stake in a Queensland oilfield, and its 20 per cent share of the Mt Goldsworthy iron ore project.

MIM has slashed costs, and is benefiting from the relative depreciation of the Australian doller. The group workforce has been slimmed by 14 per cent to 7,640, with job losses heaviest et the Mt Isa copper-lead-silver mine. As e result, said Sir Bruce, copper production costs have been cut by about 15 per cent. Coal production in 1984-85 more than doubled to 7.6m tonnes, with 8m tonnes possible in the current year.

One of the Australian mining industry's main prohlems in 1985-86 may be wage inflation, though there is some hope of stronger metal prices.

Peko held back by forex losses

BY KENNETH MARSTON, MINING EDITOR

NET ettributable profits for the year to June 30 of Australia's Peko-Wallsend mining and industrial group have increased to A$27.24m (U.S.$19.1m) from A$26.78m. The final dividend is unchanged at 6 cents following an increase in the interim to make a total for the year of 10 cents against 9 cents.

All Peko'e operating divisions did well, especially the manufacturing and transport arm, which made a strong return to overall profitability, and the iron ore and gold interests which were helped by the relative weakness of the Australian dollar which boosted export revenues.

Unfortunately Peko misread the foreign exchange markets and suffered an extraordinary loss of A$11.19m on forward sales of U.S. dollar revenues.

So far the outlook for the current year looks promising, although any marked deterioration of the U.S. dollar against the Australian currency would alter the picture. However, good news comes for the company'e 30.5 per cent stake in the money-spinning Energy Resources of Australia (ERA).

ERA runs the Ranger uranium mine in the Northern Territory which, it is announced, has received federal government approval for two new long-term contracts to supply uranium oxide to power utilities in South Korea and the U.S.

These are stated to be worth about A$280m but the tonnages of uranium oxide have not been disclosed at the request of the customers. One contrect is with Korea Electric Power, an existing customer, and deliveries are expected to begin in 1991.

Those under the U.S. contract are expected to begin "somewhat earlier." A similar stake in ERA is held by EZ Industries which was taken over last year by North Broken Hill Holdings.

HK Wharf places stake in tunnel company

By David Dodwell in Hong Kong

HONGKONG AND KOWLOON WHARF and Wheelock Marden, its recently acquired trading and property subsidiary yesterday placed 17.3 per cent of the Cross Harbour Tunnel Company (CHT) in stock markets in London, the U.S. and Hong Kong.

The placing of 21.8m shares at HK$10.10 will raise about HK$210m (US$26.9m). It was made at a 9.8 per cent discount to the present CHT market price of HK$11.20, and leaves Wheelock with a 5 per cent residual stake in the company.

CHT, which since 1969 has operated the road tunnel linking Hong Kong Island with Kowloon on the mainland, has for some years been an affiliate of Wheelock Marden. It is understood thet the disposal is part of the rationalisation of Wheelock following a fiercely contested HK$2.5bn takeover by Hongkong Wharf which succeeded on June 1 this year.

Apart from a major holding in the name of a nominee company, the main shareholder in the Cross Harbour Tunnel is now the Hong Kong Government, with e 24.3 per cent stake. In February, a 20.6 per cent holding in the company was sold for HK$250m by Hutchison Whampoa, the trading, property and retailing group headed by Mr Li Kashing. It ecquired the stake after winning control of Hongkong Electric in January.

Both disposals have been due to rationalisations, in which the Cross Harbour Tunnel has fallen outside the "core" businesses the parent companies heve been keen to consolidate. CHT'e performance has been rather flat recently, in part because of a fall in motor traffic using the tunnel.

Kyocera downgrades forecast

By Carla Rapoport in Tokyo

KYOCERA, a leading Japanese semiconductor manufacturer, yesterday cut its pre-tax profit estimate for the year ending next March to Y56.2bn ($210m) from Y72bn. This would mean a 22.4 per cent drop from the previous year's level.

Overall sales are expected to fall by more than 5 per cent to Y267.3bn.

Earlier this week, both Hitachi and Toshiba revised their profit forecasts downward.

The downturn has come from weakened demand in the semiconductor market. Kyocera's first-quarter results, also released yesterday, show semiconductor sales down by 14.2 per cent. Sales overall were slightly lower at Y74.86bn against Y75.23bn.

Group pre-tax profits in the quarter dropped 33.9 per cent to Y21.50bn while earnings per share fell to Y43.32 from Y64.08.

Repco sees improvement after 7% fall in earnings

BY OUR FINANCIAL STAFF

REPCO, the diversified Australian vehicle parts group, suffered a 7.3 per cent dip in net profits to A$24.24m (U.S.$17m) in the year to June, but forecast an improvement in the current year as it continues a rationalisation programme aimed at eliminating loss-making operations.

Disposals in the past year have included all the company's U.S. activities, which largely accounted for a A$13.45m extraordinary charge. This further depressed the attribntable result, which emerged et A$10.78m compared with A$24.79m.

Turnover grew from A$1.03bn to A$1.22bn, and the dividend has been maintained et 10 cents.

The current year's results are also expected to be assisted by the advance provision, included in 1984-85 extraordinary debits, of A$4.5m to cover possible further losses on rationalisation.

● Vapocure, one of the success stories among Australian high technology stocks, almost trebled net profits to A$1.1m for the year to June, and is raising its annual dividend from 3.75 cents to 5 cents per share, reports our Sydney correspondent.

Earnings per share rose from 7.8 cents to 12.7 cents, while the company's net tangible asset backing rose from 13.1 cents to 15.6 cents e share.

Mr Alan McInness, Vapocure's founder and managing director, said the company now has 15 licensing agreements for its pioneer paint-drying process covering 40 countries.

He said that the franchising agreement with Du Pont of the U.S. was bearing fruit with the establishment of a demonstration facility in New Jersey. Negotiations are also proceeding with companies and organisations in China, Eastern Europe, the Middle East, and South-East Asia.

Warning on TSE seats

By Our Financial Staff

A LEADING figure in the Tokyo Stock Exchange warned yesterday that foreign brokerage houses should not expect preferential treatment in the allocation of new exchange seats.

Mr Yoshitoki Chino, chairman of the TSE membership committee and head of Daiwa Securities, said domestic and non-Japanese applicants would all be taken on their merits in the selection process, which he said would be completed by the end of the year.

He confirmed agreement on the creation of 10 new seats, bringing TSE membership to 93.

Trading by companies affiliated with foreign brokers already accounted for 12 to 13 per cent of TSE turnover, Mr Chino added.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE AUGUST 27 1985

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	10.745	−0.841	12.989	10.629
Canadian Dollar	11.697	−0.504	13.638	11.697
Euroguilder	6.379	−0.332	7.879	6.338
Euro Currency Unit	9.234	−0.536	11.324	9.223
Sterling	11.013	−0.306	11.755	10.809
Deutschemark	6.895	−2.003	8.113	6.895

Bank J. Vontobel & Co Ltd, Zurich - Telex: 312744 JVZ CH

UK COMPANY NEWS

Marley £9.7m down at six months

FOR THE first six months of 1985 Marley, which manufactures and sells products for the building trade, saw its profits before tax dive by £9.66m to £5.14m.

However, shareholders bad already been pre-warned by the directors that the half year would be adversely affected by a number of external factors which together would create a very difficult trading environment.

New chairman Sir Robert Clark saye compared with the first half of 1984 UK eales were considerably lower in real terms after being particularly affected by bad weather which endured during most of the first quarter.

Although national deliveries in the concrete roof tila industry as a whole were down by over 20 per cent the group's market share did not suffer. Nonetheless, the other bousing related manufacturing activities, such as plumbing, building products and flooring, were substantially below those of the corresponding period of the previous year.

Overseas volume was down though again without erosion to the group's market share.

Sir Robert says this disappointing performance was due to less buoyant trading conditions, particularly in South Africa and Europe. He adds that Marley was also affected by the strength of sterling during tha period under review and the continuing losses in Ingrid and its associated U.S. companies which have since been sold.

Roger Taylor

Sir Robert Clark, chairman of Marley.

The group is continuing to implement its strategy of strengthening its core businesses and ensuring that all activities produce a satisfactory financial return within a reasonable period.

Steps have also been taken substantially to reduce group borrowings and to make major reductions in the overheads.

The impact of many of the changes instituted will take some time to show through and Sir Robert does not expect the full benefits until 1986.

He says it is too early to forecast the profits for 1985, but points out that trading is proving much more resilient to the affects of external influences and that the reduction in interest rates is particularly welcome.

Referring to the opening six months be says that although the group's performance was disappointing and reflected a first quarter in which the group barely broke even it did mask some vary good and improved performances from Payless DIY, Marley Foam (due to freedom from disruption from tha motor industry) and Marley Vehicle Leasing.

Overall, group turnover improved by only £6m to £273m with both the UK activities and the overseas operations showing rises of £3m at £180.82m (£177.8m) and £92.31m (£89.49m) respectively. Operating profits (£12.66m, against a previous £20.45m) broke down as to UK £11.65m (£15.42m) and overseas £1.01m (£5.04m).

Pre-tax profits were struck after taking account of a £454,000 (£94,000) share of related companies losses and interest charges which rose by £1.51m to £7.07m.

Tax accounted for £2.03m (£6.84m) to leave net profits at £3.11m, compared with £7.96m. Earnings per share amounted to 1.5p (3.8p) and the interim dividend is the same at 1.4p net—shareholders can again opt for additional shares in lieu of the cash dividend.

The sala of Ingrid and its associated U.S. bousewares businesses was completed last Friday. Earlier in the month Plumb-Centre was sold for £8m.

Along with other transactions, including the closure of Marley Floors' Leighton Buzzard factory, the relevant nrofits and losses arising from all the deals will be accounted for as an extraordinary item in the full year accounts. The figure estimated by the directors is £10m net.

Mr Denis Allport, chairman of Metal Box, has been appointed a non-executive director of Marley.

See Lex

United Newspapers surges 23% to £19.3m

United Newspapers accompanied yesterday's long-awaited bid for Fleet Holdings with its first-half results showing a 23 per cent improvement from a restated £15.67m to £19.26m at the taxable level. The interim dividend is being raised by 0.5p to 6p and the company intends to pay a 10p final, against 9p.

The restated profit figure takes account of the merger of Link House Publications which, say the directors, has achieved its profits forecast for the 12 months to June 30, 1985.

Link House's magazines are already showing the benefits of the rationalisation moves which were faitiated at the end of last year, they add.

The newspaper division achieved better advertising volumes than for the same period last year; the elimination of the losses at the Wigan Evening Post & Chronicle following its closure in December has also helped to improve the performance.

Although the U.S. economy has not shown the rate of growth that was visible last year, the appreciation of the dollar against the pound of 15 per cent over the sama period last year provided a boost to profits.

Results of Gralla Publications continued to beat targets set at the time of acquisition in 1983. In June it bought four magazines in the eye care industry and an interest in an associated trade show.

The San Francisco magazine company, Miller Freeman Publications, with its long-established titles in the pulp and timber industries as well as new magazines in the medical and computer fields, joined the group in January. It has made a first time contribution according to expectations, while PR Newswire continues to flourish, the directors state.

The retail division performed well with a strong contribution.

An appropriate share of Fleet's profits, based on the published 1984 results, has been included as part of overall group profit.

The commercial printing division, which had been part of UN since 1969, was sold on August 16, 1985. "It had been clear for some time that the group's long-term objectives did not include the need for a commercial printing operation," say the directors.

There will be a small positive effect on earnings per share following this sale. First half earnings rose from 13.3p to 16.3p before extraordinary items.

Total group turnover for the first half of 1985 amounted to £116.13m compared with £95.86m previously. Trading profits advanced from £15.28m to £18.43m and the taxable result was struck after net interest payable of £1.21m (receivable £256,000).

Tax was £7.65m (£7.24m) and there were extraordinary credits of £752,000 (£9.84m). Available profits emerged at £12.36m, against £17.47m.

On the basis of the results the directors view the future with confidance.

Babcock less dependent on traditional markets

Babcock International, the engineer and contractor, bas returned lower first-half taxable profits of £15.04m, against £16.02m, but roughly in line with City expectations.

The fall explains Lord King, the chairman, was due to several factors, and he stresses that the group is becoming progressively less dependant on its traditional markets.

"In the power activities the major utility contracts, which have been the mainstay of this business in recent years, are nearing completion and contributing lower profit," ba says.

Babcock Engineering Contractors also contributed less following ESCOM's decision to exercise an option to defer delivery and construction of the final two boiler units for tha Lethabo power station.

However, he says improved results from Claudius Peters, following its recent reorganisation, more than offset a downturn in Australia where the markets served remained depressed.

Activity in the mechanical and process plant contracting group was maintained, without the need to repeat special contract provisions made in 1984.

In industrial and electrical products, the anticipated profit improvement has yet to materialise. This was "largely because of the low volume of orders placed by tha National Coal Board since the end of the miners' strike and delays in booking substantial new workload for the electrical distribution businesses," says the chairman.

Despite this, he says significant profit improvements were achieved in the North American group with the half year's trading profit to June 30 showing, in dollar terms, a 52 per cent increase.

"A factor in the improved performance in North America is the encouraging progress being made in returning the process control business and the products division of the material handling group to profit."

The purchase in January of tha Teleflex industrial cables business proved beneficial to the cables control group and Faultless Caster, acquired at the end of May, contributed a $472,000 profit for June.

Total group turnover for the first half of 1985 rose from £534.29m to £541.23m but generated a lower trading profit of £14.22m, against £16.06m. Part of the shortfall was recouped by a decrease of just over £1m to £1.47m in net interest charges—profits from associates fell by £297,000 to £2.1m.

Earnings per share were slightly higher at 7.5p (7.3p), with the tax charge down from £7m to £6.8m, and the interim dividend is being raised by 0.3p to 4p.

Regarding prospects, Lord King says "tho problem areas in the group at the present tima are confined to the mining equipment businesses of the industrial and electrical products group, where changes in the pattern of ordering by the National Coal Board offer no prospects for sales of structural equipment in the immediate future."

The contracting companies, which are still experiencing a shortage of orders, should maintain existing profit levels, while in tha FATA companies and many of the product businesses "there is potential for profit improvement."

Planned changes in the UK power group are aimed, he says, at maintaining profit over the next few years at near current levels, despite the prospective lack of orders worldwide for power generation equipment.

The recent acquisitions of Robey of Lincoln and the Towler business are part of this rationalisation scheme, which involves the segregation of industrial boiler activities and the development of Renfrew as a high technology product centre to place it in a favourable position to participate in PWR and defence activities.

Contracting operations of the mechanical and process plant contracting group and Babcock Africa "should maintain existing levels of workload and profitability," while large orders on Claudius Peters and Whinday and Bourne "will improve the activities of these businesses in the second half."

In the North American group there are strong indications that second half profits will at least repeat tha first half performance. And a further benefit will be a full six months' contribution from the Faultless Caster companies.

See Lex

MacLellan profits up 47% in first half

THE SUCCESS of the industrial supplies aector of P. & W. MacLellan helped it to raise pretax profits 46.5 per cent to £258,000 in tha six months to June 30 1985 compared with £176,000 in tha first half of last year.

The plastics division, in particular, was successful, lifting turnover by 54 per cent.

Turnover for tha Glasgow-based group, which also supplies agricultural parts and computer equipment and is involved in property investment, was up to £5.36m (£4.22m).

Operating profit was £320,000 (£215,000). Central costs took £62,000 (£39,000) and tax £30,000 (nil), leaving a net profit of £228,000 (£176,000). Minorities took £18,000 (nil). Earnings a share were 2.4p against 2.1p.

Tha interim dividend is being raised 0.1p to 0.7p.

Stanley ahead despite weather

DESPITE bad weather conditions in the early part of the year and the wet spring, A. G. Stanley Holdings increased its trading profits by 53 per cent to £1.08m. The FADS chain of homecare products stores is part of the group which retails home decorating materials and related products.

Pre-tax profits for the eix months to July 3 1985 improved from £646,000 to £975,000. The interim dividend is unchanged at 1p net—last year's total was 2.5p from pre-tax profits of £1.78m. Stated aarnings per 5p share were up from 1.19p to 1.82p.

Mr Malcolm Stanley, the chairman, says that the second half will see continuing satisfactory progress. The busiest time for wallcovering sales is in the autumn, and the company's new collections are "the best we have yet produced."

He says the interim results would have been even hetter had it not heen for the appalling weather, which severely curtailad sales of exterior paints.

Nevertheless, tha company achieved higher volume of paint sales generally during tha six months. Actual sales to customers rose from £27.48m to £29.53m. There was a trading profit before depreciation and interest of £1.91m against £1.48m. Depreciation was up from £648,000 to £713,000, but interest was down slightly from £124,000 to £117,000.

Tax for the half year was £514,000 (£344,000) and this resulted in attributable profits improving from £302,000 to £461,000.

Mr Stanley says the company's store expansion programme has progressed with seven new stores being opened—all are trading extremely successfully — and seven more are being refitted. Ha says the full benefit of these will not be felt until the second half-year.

● comment

Stanley has been a popular recovery stock for tha past two years, and the market, correctly anticipating another 50 per cent leap in profits, pushed tha shares up to a 12-month high of 77p just before the announcement. However, these figures are likely to be the last of their kind, marking tha end of the company's rationalisation and recovery phase, and the beginning of a period of steadier growth. Whila margins surged compared to the first half of last year, there was no further advance from the level reached in the final quarter. Future improvements in profits will come increasingly from Stanley's new programma of physical expansion, in which larger edge-of-town sites are being added to replace the smaller less profitable high street shops that have been closed. With the total number of shops open by year end likely to have risen from 205 to about 212, profits for tha year should be about £2.5m. After a tax rate of 48 per cent, the shares are on an earnings multiple of 15, broadly in line with the sector average.

Airship back in the black

Airship Industries, tha designer and builder of airships, rescued in 1984 by Mr Alan Bond, the Australian entrepreneur, recorded an operating profit of £993,000 in the 15 months to June 30 1985, compared with a £5.6m loss in the year to March 31, 1984.

Mr Alan Birchmore, managing director, says that, although the profit is modest, directors believe it is an important milestone.

He says the granting of an air-worthiness certificate to the 500 Series airship in late 1984 is largely responsible for revenue generatad by arms-length sales and the leasing of airships in various parts of the world.

The company's budget and projections contemplate a strong continuation of the trend, he says.

Airship shares were launched on the Unlisted Securities Market in March, 1983. Dealings were suspended in the later summer of 1984 when the company ran into financial trouble and the quotation was cancelled in October, 1984. Now they are traded over the counter.

Fobel Intl. £4.5m in the red

LOSSES OF £4.49m have been incurred by Fobel International at the pre-tax level for 1984, compared with profits of £3.15m. At the halfway stage profits had elumped to £41,000 against £1.21m.

The directors of this DIY and electrical goods distributor and electronic product manufacturer say that while the results are disappointing indications from current trading are that the problems are now in the past and steady progress will be made.

They say that a number of developments are undar consideration, and sbould these come to fruition it is anticipated that information will be circulated to shareholders before the annual meeting.

The dividend total for the year has fallen from 2.65p to 0.4p with a lower final 0.2p (1.45p). The loss per 10p share is stated as 9.08p compared with earnings of 9.08p.

The loss has been caused by the continuing problems in the electronics division following tha difficulties of its most important customar, Mattel. This led to substantial further write-offs and a low workload for the whole year. Group turnover fell from £31.77m to £22.59m.

In addition there were the problems of Polo Microelectronics in the U.S., the directors state. They have written-off the 49 per cent shareholding in Polo held by the subsidiary Radofin Electronics (Far East).

This is the main reason for the £1.75m extraordinary debit, with the balance being tha group's share of the closure cost of the Door Associate's factory in the Republic of Ireland.

The weaker dollar has assisted in making exports from Hong Kong more competitive, while the workload is currently running at a much higher level and order books are healthy.

While further progress has been made in the UK, tha effect of the electronics division's problems has meant a small loss, In Canada tha Door associate, Premium Forest Products again produced good results.

For 1984 the share of profit of the associate companies added £582,000 (£609,000).

● comment

It has taken Fobel International some time to reveal just how badly it was hit by the sudden collapse in orders at its Hong Kong associate, Radofin. Once Radofin's prospects drove the group shares to a 1982 high of 192p, now they languish at 21p, down 2p, as a result of 1984's heavy losses and stock write-offs. The only consolation is that the associate is 51 per cent owned so the damage done is considerably less at the attributable than at the pre-tax level. There are, however, a few straws in the wind suggesting that this might be an interesting, if speculative, recovery stock. First Fobel claims that 1984's write-downs and write-offs have accounted in full for the foreseeable difficulties. Secondly, it says that while there will be another loss in the first half of 1985, the second half will be profitable. However, it seems inevitable that even if the current recovery materialises the company will continua to be very vulnerable to tha swings in demand of the world electronics industry.

Pentland nears £20m midway

Pentland Industries earned more in the first six months of 1985 than it did for the whole of 1984 thanks to further substantial expansion of its U.S. operations and contioued growth in both the UK and the Far East.

Furthermore, chairman Mr Stephen Rubin believes that earnings in the second half should show a significant improvement over the corresponding period of the previous year.

On the hack of a £73.71m rise in turnover to £115.32m, pre-tax profits for the opening six months surged from £2.5m to £19.64m and the interim dividend is being lifted from an adjusted 0.167p to 0.34p net per 10p share. The increase is partly to reduce disparity between the interim and final payments.

Half year tax took £9.09m (£965,000) an left net profits at £10.55m, compared with £1.53m. Earnings amounted to 13.83p (2.25p adjusted).

For the 1984 year as a whole, Pentland, an industrial bolding company with particular interests in shoes and clothing, raised its pre-tax profits from £1.68m to £12.9m.

Earlier this month the group floated off Reebok, its successful U.S. athletics shoe subsidiary, on the American over-the-counter market. Pentland acquired a 55 per cent interest in Reebok for $77,500 in 1981.

At the offer price Reebok had a market capitalisation of some $272m (£194m). Pentland retained a stake in Reebok of around 40.7 per cent which had a value of approximately $110m.

Pentland is ultimately held by Robert Stephen Holdings.

● comment

Profit-taking gave Pentland Industries' soaring share price a bit of a hammering earlier this summar, but yesterday's announcement of an eight-fold increase at the pre-tax level notched it up 10p to 325p and gave fresh momentum to its recovery towards the previous peak of 362p. The full-year pre-tax figure will be misleading because Reebok, by far the biggest contributor to group earnings, has now been transformed from a consolidated subsidiary to a 40 per cent-owned associate. Reebok's growth has been little short of stunning and looks set to continue into the second half, although it is vulnerable to an element of seasonality in sports shoe sales and any further weakening of the dollar. The rest of Pentland's 30-odd businesses have been somewhat oversbadowed by Reebok's performance but have themselves trebled first-half earnings overall and are on course for further growth to the year-end. About £30m pre-tax would put earnings per share at 25p after a 45 per cent tax charge, suggesting a prospective p/e ratio of 12½—fair given that growth at this rate is unlikely to be sustained.

Slough Estates reaches £20m

Slough Estates, Britain's largest industrial property developer, raised its pre-tax profits to £19.9m in the first half of 1985, an improvement of £4.8m over tha figures for the corresponding months of the previous year.

The period saw increased activity in all parts of the group. Mr. Nigel Mobbs tha chairman tells shareholders that he is confident that 1985 will be the group's 41st consecutiva year of earnings growth.

Meanwhile the interim dividend is being lifted from 1.8p to 2.2p partly to rednce disparity between the two payments.

The six months' figures include a net surplus of £1.1m from the group's investment in Stock Conversion.

Demand for utility services remained static, though operating profits were an improvement over 1984.

Overseas progress has been good, despite the adverse impact of exchange rates on the translation of profits and asset values resulting from the strengthening of sterling from the beginning of the year.

Group turnover for the opening half totalled £52.66m, compared with £41.71m—UK rentals amounted to £23.82m (£22.48m). Tax accounted for £5.3m (£3.75m).

Land sale lifts Federated to £770,000

Profits from the sale of undeveloped land accounted for almost half of the £770,000 pre-tax profits announced by USM-quoted Federated Housing for the six months to June 30, 1985, a 52 per cent increase over the previous £506,000.

With turnover for this Surrey-based housebuilder reduced from £6.84m to £5.17m, trading profits emerged lower at £396,000 against £427,000.

The directors are lifting tha interim dividend to 1.1p (1p). Nat earnings are shown higher at 4.88p (3.62p).

Mr Peter Meyer, the chairman, says that income from the sala of land contributes regularly to group profits, although it is difficult to predict the amounts which fall in any one year.

For this half, land sales contributed £374,000 for the pre-tax result, compared with £79,000.

Tha chairman adds that turnover in the second half is expected to be considarably up on the first six months, and that the improvement in margins, which has occurred in tha first half, should continue.

Yearlings at £6.5m

Yearling bonds totalling £6.5m at 11 per cent redeemable on September 3, 1986, have been issued by the following local authorities. Braintree District Council £0.5m: East Hampshire DC £0.5m: Gravesham Borough Council £0.5m: Wansbeck DC £0.25m: Metropolitan Police District (the received for the) £0.5m: Mid Sussex DC £0.5m: Northavon DC £0.25m: Aberdeen (City of) DC £1.5m: Bedfordshire County Council £0.75m: Sheffield (City of) £1.25m.

Microvitec profits slide to £535,000 as forewarned

HIGHER THAN anticipated manufacturing costs, reflecting tha growth of the company and tha increased improvement in tha design and development of new products, has resulted in pre-tax profits at Microvitec falling from £1.52m to £535,000 in the six months to June 30 1985.

In tha middle of July, the Bradford-based colour monitor manufacturer warned that profits for tha opening half could he as low as £500,000. At the same time, a management reshuffle was announced and this included the departure of the finance director and, a few days later, the resignation of the manufacturing director. Mr Colin R. Bradley was appointed to the latter post on Tuesday.

Despite the company's problems, an interim dividend of 0.5p net will be paid—last year there was a single payment, a final of 0.75p. Stated earnings per 5p share of this USM company fell from 3.4p to 1.3p in the opening half.

The directors say tha early signs for the second half show order intake and manufacturing performance are encouraging, although this must be viewed against the recent background in the electronics sector.

Sales have performed well, and product and market diversification strategies have shown good progress, with export sales of £1.3m being more than 3½ times higher than the first half of 1984. Microcolour graphics terminal sales now represent more than 10 per cent of turnover.

First half turnover at Microvitec increased from £7.12m to £10.23m. Gross profit was down from £2.48m to £2.21m after cost of sales up from £4.64m to £8.02m. Operating profit fell from £1.48m to £417,000 after distribution costs up from £494,000 to £924,000 and higher administration expenses of £869,000 (£508,000). Tax for the half was £190,000 against £875,000.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
AMEC	int	4	Dec 31	4	—	11
Babcock	int	4	Oct 14	3.7	—	8
I. J. Dewhirst	int	0.28	Nov 22	0.24*	—	0.92*
James Dickie	int	0.5	—	Nil	—	0.5
Federated Housing‡	int	1.1	—	1	—	3
Fobel Intl		0.2	—	1.45	0.4	2.65
P. & W. MacLellan	int	0.7	Nov 15	0.6	—	1.7
Marley	int	1.4	Oct 10	1.4	—	3.75
Microvitec‡		0.5	Oct 14	Nil	—	0.75
Pentland	int	0.34	Nov 1	0.17	—	0.87
Slough Estates	int	2.2	—	1.8	—	4.8
A. G. Stanley	int	1	Oct 7	1	—	2.5
Utd. Newspapers‡	int	6	Nov 1	5.5	—	14.5
Weir Group	int	0.75	Nov 20	0.38	—	2.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

James Dickie maintains recovery

The recovery experienced towards the end of the last financial year has been maintained at James Dickie & Co. (Drop Forgings). Pre-tax profits of £46,000 were achieved in the six months to end-April 1985, against a £3,000 loss.

Tha directors are resuming interims with a 0.5p payment—a final 0.5p was paid last year on total profits of £2,163. Stated earnings for this half are 1.74p (nil) per share.

The results show a modest but encouraging profit, tha hoard says. However, trading conditions remain difficult and hoth the company's factories are still working well below capacity.

Every effort is being made to improve the level of production, hut the state of the market for forgings and castings is still depressed, it says. Profit margins continue to be under severe pressure by the nature of the competition within the industry.

Half year turnover improved to £2.64m (£2.08m), yielding a trading profit of £39,000 (£17,000). The pre-tax result includes interest received down from £13,000 to £7,000.

Tax took £14,000 (nil).

Kennedy Smale

Higher full year taxable profits of £584,000, against £561,000, were achieved by Kennedy Smale, the holding company formerly known as Charles Hill.

Turnover for the year to end-March, 1985, fell from £6.97m to £6.53m but gross profits rose to £1.35m (£1.29m). Earnings per 10p ehare fell to 8.5p (10.7p) after tax of £50,000 (credits £103,000)—there is still no dividend.

Attributable profits amounted to £761,000 (£809,000) after extraordinary credits of £228,000 (£145,000).

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UK COMPANY NEWS

Weir expands 56% to £3.8m and optimistic

Weir Group, the Glasgow-based engineer, increased pre-tax profits by 56 per cent to £3.79m in the half-year to June 28 1985 compared with £2.43m in the first half of 1984.

The continued improvement was in line with the hopes of Lord Weir, the chairman, in his 1984 annual report issued in April this year.

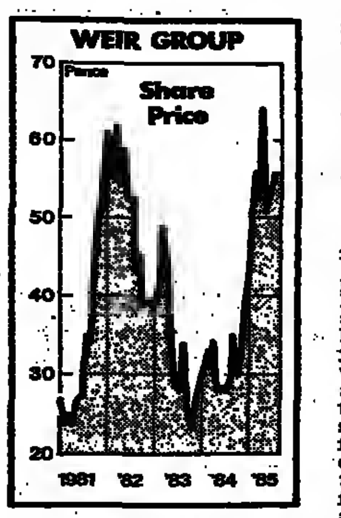
The interim dividend is being lifted to 0.75p (the rate in 1982) from 0.375p but shareholders are told that this does not necessarily mean the total will exceed last year's 2.5p net.

The final will be made in the light of the full-year results, say the directors. But the board remains optimistic about the prospects for the rest of the year.

Turnover was up 9 per cent to £67.57m (£61.83m). Pre-tax profits included £1.78m (£1.49m) from associated companies and were after interest charges of £1.48m (£717,000). Tax took £1.42m (£1.38m).

Earnings a share increased sharply to 6.1p (1p) basic and fully diluted to 3.7p (1.3p).

The results include the cost of financing the group's £3.5m investment in August 1984 in Yarrow, the maritime designer and maker of electronic control systems, also based in Scotland. But because of differences in the timing of the announcement of results no offsetting contribution from Yarrow is included.



Weir bought 25.2 per cent of Yarrow from Vosper, lifting its stake to 28.2 per cent.

The directors say the group's engineering companies are making good progress in both orders and earnings and foundry operations show a welcome return to profit.

Peacock, its Canadian subsidiary, is disappointing but the group's associated companies overseas are performing well.

Slow payment by some overseas customers, referred to in the 1984 annual statement, is now not as bad, particularly in Africa, and borrowings are consequently reduced. Contracting in the Middle East, however, remains difficult.

In the long term, group prospects will greatly improve, say the directors, if the Government proceeds with a pressurised water reactor power station programme beginning with Sizewell B.

● comment

An encouraging first half has put Weir firmly on course to restore profits this year to their 1982 level. Both of its main divisions are looking distinctly more healthy than at this time last year. The two foundries that were making losses have turned around, and now all three are in the black. However, the major source of improvement has come from the pump division, where orders are 20 per cent higher than 12 months ago, and the flow is still improving. Including a first-time contribution from Yarrow of about £200,000, profits for the year are likely to be about £8m, implying a fully diluted p/e of 5, after a 42 per cent tax charge. Cautious noises in the statement about the dividend appear to be mainly for the sake of form, and assuming a total of 3p, the yield at 55½p would be 7.8 per cent. This sort of rating takes no account of the orders that Weir may pick up from the Sizewell PWR—which could amount to over half the £50m that the government is estimated to spend on pumps at the first two stations.

Dewhirst better than expected

L. J. Dewhirst Holdings, the clothing manufacturer, the biggest customer of which is Marks and Spencer, exceeded its own expectations in the half-year to July 19 1985 by lifting pre-tax profits 26.2 per cent to £2.3m, compared with £1.83m in the first half of 1984.

Sales were up 28 per cent at £25.04m compared with £19.45m, also ahead of expectations.

At the annual meeting in June, Mr Alistair Dewhirst, chairman and chief executive, said he expected pre-tax profits to reach £2.2m and sales to exceed £24m.

The interim dividend is 0.28p which, after adjusting for a one-for-five scrip issue earlier this year, compares with 0.24p.

Mr Dewhirst says forward orders are significantly higher than last year, although cost increases are still difficult to recoup.

The company, based in Driffield, North Humberside, is continuing to expand its product ranges, with the help of bigger design teams and a continuing capital spending programme.

He expects growth to continue in the second half, while pointing out that last year's second half included 27 weeks compared with 26 this year.

Earnings a share were 2.48p (1.98p adjusted).

● comment

As one of the more successful Marks & Spencer suppliers the market has become accustomed to consistent growth from I J Dewhirst. The latest profits are marginally better than the company's agm forecast—only to be expected—and it now looks as if the analysts' earlier predictions of £4.8m pre-tax can be viewed as a minimum expectation for the year. M & S still accounts for almost 90 per cent of sales and here a small degree of margin erosion is obvious but as long as Dewhirst can travel within a range of 8½ to 10 per cent the management should be happy enough. Initial orders have been shipped to J C Penney in the U.S. and while it is far too early to judge American reaction—the promotional campaign does not start till October—the U.S. stores group could become a significant customer in time. Ahead of these figures the shares have been strong performers so yesterday's 3p slip to 86p is not significant and though a prospective p/e of 17½, after a 40 per cent tax charge, looks on the expensive side the rating can be justified on anything more than a short term view by Dewhirst's premium trading performance amongst the M & S suppliers.

AMEC confident despite £2m downturn halfway

HIGHLY COMPETITIVE conditions experienced in the construction industry have contributed to the reduction in pre-tax profits at AMEC from £11.6m to £9.7m in the first six months of 1985, although turnover increased by £41.5m to £360.7m.

Mr J. W. H. Morgan, the chairman of this international civil engineering group, says that due to the changing nature of the industry and the continuing development of the group, direct comparisons of the results would be misleading if used to contemplate the outcome for the full year. For 1984, profits of £27.1m were achieved.

Group order book is not 16 per cent above the level of June 1984, the chairman reports. This, together with AMEC's wide range of skills supported by a strong financial base, maintains its leading position within the industry for the future, he says. The directors continue to look forward with enthusiasm and confidence.

A same again 4p interim dividend is being paid. Last year's total was 11p. Net earnings per 50p share are shown down from 9.3p to 9.8p.

The substantial contribution made by Worley Engineering to reported profits a year ago was not sustained, Mr Morgan states. Drastic action was necessary to restructure that business to deal with its changed outlook, and its recovery is continuing.

Worley received the award by Shell early in 1985 of the conceptual design contract for the "Gannet" satellite platforms, on which work is now proceeding, albeit delayed due to lateness in authorisation procedures.

In addition, he says that the award of the large contract by British Nuclear Fuels to build its major new thermal oxide reprocessing plant to Fairclough in joint venture, is another very significant achievement in helping to underpin future workload.

Due to mobilisation complexities and start-up costs, its financial benefits are not yet appearing in the results.

For the first half, net profits totalled £5.7m (£6.2) after tax of £4m (£5.4m).

Minorities took 0.2m last time, and after dividends absorbing a same again £2.6m, retained profit for the period emerged down from £3.4m to £3.1m.

● comment

Forecasts made only three months ago of a £33m profit for Amec this year are beginning to look over-optimistic. Part of the group's problem is the state of the construction industry generally, where the dearth of work has driven prices down to the point where it is hard to find a contract which can be undertaken at a profit: the BNFL contract is the first major one Amec has taken on in the UK in a year. The more specific reason for the first-half downturn is Worley Engineering: this company was at the tail end of some valuable contracts in last year's first half before going into a decline in the second. It was cut back by 50 per cent but was still running empty for much of this year's first half, making the year-on-year comparison poor. For the full year Amec will probably see something in the region of last year's £27.1m—in real terms a downturn since that figure included substantial loss provision on the U.S. operations. Amec's pruning is putting it in good shape for an upturn in the construction industry, whenever it should come: but the market is losing patience and yesterday marked the shares down 15p to 240p, putting the prospective p/e ratio well below the sector average at 8.

Goode Durrant in £8m disposal

A DISPOSAL, an acquisition and a slump in profits were yesterday unveiled by Goode Durrant & Murray Group, which is engaged in banking services, financing and property development.

Goode intends to sell its 91.58 per cent holding in Kirkcaldie and Staines, which operates a retail department store in Wellington, New Zealand, to Renouf Corporation for NZ$22.81m (£8.71m).

The store is located on one of the last underdeveloped sites in central Wellington and while its profits are satisfactory the directors say that a commitment of the size required for redevelopment is not consistent with the intended main areas of activity.

The sale will have an effect on Goode's net asset value which will increase from the £14.4m, shown on October 31, 1984, to £19.65m. In the year to August 31, 1984, Kirkcaldie made taxable profits of $2.66m ($2.34m in 1983).

In addition to the sale, the company is paying £1.06m for controlling interests in the businesses of various private companies engaged in international trade that were built up by Goode's managing director, Mr F. M. Wering. He sold his interests in May 1983.

The businesses being acquired primarily involve the physical movement of agricultural produce, particularly heavy grains, proteins, oils, oilseeds, tea and coffee.

Goode's taxable profits for the first six months to April 30, 1985, fell from £880,000 to £466,000 after allowing for substantial provisions for certain outstanding debtors.

The results, the directors point out, have also been affected by unfavourable exchange rates. And while the housebuilding and contracting subsidiary traded satisfactorily, house sales in the early part of the year were hit by bad weather.

Group turnover totalled £34.54m, against £35.09m, and after tax of £374,000 (£533,000), earnings per share slumped from 1.3p to 0.3p. Attributable profits after all charges amounted to £15,000 compared with £321,000.

In spite of the poor earnings, the directors remain confident of future trading prospects.

Income arising in Zimbabwe has been excluded from the results as it is currently unremittable. There was an extraordinary charge of £54,000 relating to professional fees incurred in respect of proposals made prior to the offer in March for the company on behalf of Infintraco Establishment.

Another cash call from Emess

BY FRANK KANE

Emess Lighting, the expansionist lighting products group, is to again ask shareholders for cash to fund an acquisition.

After the £6.25m purchase of Marchant Holdings last June, partly funded by a cash call, the target this time is the privately owned light fittings group Merlin Electric for £12.6m. This will be financed by way of a three-for-four rights issue at 210p per ordinary share.

The issue price represents a discount of nearly 24 per cent to yesterday's closing price of 275p, up 20p.

Under the agreed terms of the acquisition, Emess will issue a total of 6.83m new ordinary shares, of which Marlin will retain approximately 668,201 at an ex-rights price of approximately 237p per share, to raise £1.58m of the consideration.

The balance of approximately £11m, plus £1.9m to fund working capital and to pay expenses, will be satisfied by the issue of 6.16m shares as rights. The offer has been underwritten by County Bank, the Emess adviser.

Mr Michael Meyer, the chairman, said that the Emess board decided on a cash call as the best way to fund the purchase "so that existing shareholders have the opportunity to participate in the continued growth of the group." In May, the directors got £3.3m from holders to fund the cash portion of the Marchant purchase.

Marlin designs, manufactures and distributes interior and exterior light fittings for commercial and residential use from its factory at Feltham, Middlesex, backed up by a 100,000 sq ft warehouse at Twickenham, and has regional branches in other parts of England, Scotland, and in Denmark.

In the 12 months to March 12 1985, Marlin produced pre-tax profits of £1.3m (£1.1m) on turnover of £12.5m (£11.7m), and it is forecasting pre-tax profits of £1.5m for the current year.

Last year around 80 per cent of Marlin's sales were in the UK, with the rest mainly in Europe, the Middle East, and Africa. At the year-end it had net tangible assets of £8.8m.

Mr Meyer said yesterday that the acquisition of Marlin would make the enlarged group the third biggest in the UK light fittings market, behind Thorn EMI and Philips.

The announcement of the rights and acquisition accompanied Emess' interim results for the period to June 30 1985, showing a 58 per cent rise in pre-tax profits to £522,000 on turnover ahead by £2.1m at £5.9m. Marchant added £30,000, to give the group as previously constituted a 47 per cent rate of growth.

The second half has commenced well, he added, with prospects for the full year remaining excellent. The group anticipates substantial growth in the future from Marchant. He suggested a pre-tax figure in excess of £3m for the year.

Earnings for the half year just ended increased by only 20 per cent to 6.1p. After the rights now proposed, Emess will have around 15m shares in issue, compared to about 8.2m at present.

The interim dividend is lifted from 1.9p to 2.2p net per share on the increased capital. Last full year the company paid a total of 4.6p on taxable profits of £955,000.

The brokers to the rights issue are Panmure Gordon & Company.

Dunedin and Berkeley Tech. joint fund

Dunedin Fund Managers and Berkeley Technology have established a joint fund management relationship, which includes the launch of a U.S. development capital fund.

The fund, which will be managed by Dunedin Berkeley Management Company, will be based in Jersey and is initially constituted at $10m, being cash contributed by clients of Dunedin. The managers aim to raise an additional $30m in a proposed initial public offer.

Weber talks off

House Property Company of London and Weber Holdings, a Manchester-based property investment company, have terminated discussions about a possible merger. Dealing recommenced yesterday in their shares, suspended since July 26 pending an announcement.

Chloride sees higher loss from U.S. offshoot

Chloride, the financially troubled battery group, said yesterday that its results for the half-year to September 30 would include losses "at a somewhat higher level than expected at last year end" from Chloride Inc., the U.S. subsidiary which it is in the process of selling to Dunlop Olympic of Australia.

However, the company added that the sale of Chloride Inc. would, at settlement date, have an immediate and considerable benefit to the balance sheet.

"Pre-tax results for the second half of 1985-86 will benefit from interest savings flowing from the reduction of borrowings arising from the sale proceeds," said Sir Michael Edwardes, chairman, in a letter to shareholders outlining the reasons for disposal of both the U.S. and Australasian subsidiaries to Dunlop.

"Attributable profit for the full year will also include an extraordinary profit arising from the transaction."

Sir Michael said that "over the longer term the sale of the North American and Australasian business will enable Chloride to concentrate its resources on its substantial battery activities in Europe, Africa, the Indian sub-continent and South-east Asia and further developing its Power Electronics businesses in the U.S."

During the next few months the board would be reviewing longer term strategy in the light of the disposal—including consideration of the outstanding dividend payments on the 7.5 per cent cumulative convertible preference shares.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Alida, Blue Circle Industries, British Petroleum, Cambridge Electronic Industries, Cattle's, Ex-Lands, Godwin Warren Control Systems, Gold and Base Metal Mines, Ladbroke, Lec Refrigeration, Ley's Foundries and Engineering, James Neill, President Entertainments, Refuge, Thomas Robinson, Scottish Agricultural Industries, Stat-Plus, United States Debenture Corporation, Ward Holdings, Williams Holdings.

Finals: Associated Dairies, Rotaprint.

FUTURE DATES

Interims—

Aurora	Sept 11
Bedford (William)	Sept 10
Cakebread Robey	Sept 16
General Mining Union Corpn.	Sept 12
Hartons	Sept 10
Hewitt (J.) (Fenton)	Sept 18
Hyman	Sept 9
KCA Drilling	Sept 2
Lambert Howarth	Sept 3
MCD	Sept 12
Parrish (J. T.)	Sept 24
Ropner	Sept 4

Finals—

Capital Television Facilities	Sept 9
Foreign and Colonial Inv. Tst.	Sept 9
Ricardo Consulting Engineers	Sept 3
Whitworth Electric	Sept 9

COMPANY NEWS IN BRIEF

SCOTTISH NORTHERN INVESTMENT TRUST has renewed its loan of $20m from Morgan Guaranty Trust Company of New York for one month (with an option to renew) at an interest rate of 8$\frac{1}{16}$ per cent per annum.

JOHN BROWN'S £70m recapitalisation programme has been completed. The company announced that shareholders representing 91.1 per cent of the equity had taken up shares in a £12.6m rights issue. The remaining shares have been sold at a premium on the stock market.

Under the refinancing deal, Trafalgar House has taken a 29.9 per cent stake in the company for £20.2m and John Brown's bankers have converted £37.2m of loans into preference and ordinary shares.

NOLTON, the industrial, property and service company, says that of the 12.63m ordinary shares offered by way of rights, some 11.41m (90.37 per cent) have been taken up. The shares not taken up have been placed at a premium in the market.

VALOR received acceptance in respect of 15.47m ordinary shares in Breville Europe (£92.8 per cent) by August 22. The offer is declared unconditional in all respects and remains open until further notice. The cash alternative has closed. Valor, which owns no Breville shares prior to the offer, intends to acquire compulsorily the outstanding shares.

PRESS TOOLS lifted pre-tax profits from £138,000 to £338,000 for the year to end-April 1985. A final dividend of 1.75p makes 2.65p (2.15p). Turnover amounted to £3.61m (£2.49m). After tax of £125,000 (£88,000), earnings per 10p share are shown as 10.68p (5p). Current trading is patchy but board is optimistic.

ALFRED MCALPINE & SON, of South Africa, has asked for trading in its shares on the Johannesburg Stock Exchange to be suspended. It is in the final stages of a transaction which, if concluded, will have a material affect on the value of the shares.

Share stakes

Alfred Walker—J. M. Donachie, director, has sold 120,582 (nil paid) 8.75 per cent cum conv red preference shares at a premium of 4p.

J. Hepworth — J. T. Rowlay, a director, has exercised an option for the purchase of 50,000 ordinary and has also disposed of 50,000 ordinary

Berkeley Group—J. D. Farrer and A. W. Pidgley, directors, have each sold 50,000 shares at 162p.

English and International Trust—A. S. Reid, director, has acquired 35,000 ordinary and now holds 60,490 (0.29 per cent).

Flextech—L. V. D. Tindale, chairman, has acquired 10,000 ordinary.

Burns-Anderson—K. Buckley, director, has disposed of 30,000 ordinary.

Marks and Spencer—C. V. Silver, director, has acquired 45,776 ordinary by exercise of options, which he has then sold.

Plysu—C. S. J. Summerlin, director, disposed of 50,000 new shares at 166p and now holds 1,896,188 (7.878 per cent).

Saxon Oil

The closing date for the proposed merger between Saxon Oil and Charterhouse Petroleum has been extended to September 3, the level of acceptances received by yesterday's date showing no advance on the levels seen on August 20. Acceptances for the deal total 79.33 per cent of Charterhouse and 36.45 per cent of Saxon shares.

MANAGEMENT: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Consistently good copywriting requires a rare talent—one which sets David Abbott, Tony Brignull and John Salmon in a class of their own. Adrian Holmes's series of ads for Plymouth gin is enhancing his reputation as one of the best of the newer generation

The art of copywriting

Feona McEwan explains why it is not as simple as it might seem to devise advertisements

"IT'S EASIER to write 10 effective sonnets than one effective advertisement," said Aldous Huxley after a spell of copywriting. Yet the business of constructing sentences to sell products may look easy enough. The words are simple, the language often banal and the sentences short and sparse. Coudn't anyone do it? We all use language, so can't we all write ods?

What is the craft of copywriting that moves companies to part with thousands of marketing pounds? Is the knack of stopping readers in their tracks, hijacking the eye and hooking the mind, a sweat or a doddle?

The answer is neatly summed up in e true tale: An experienced advertising director was having trouble convincing a key member of bis hoard that a newly submitted long copy ad was a winner. Right, he said to the dissident, here's a red pen, now sit down and take out all the superfluous words. The man read and reread, pen at the reody. Not e word was touched. The ad was a Tony Brignull effort (he is vice chairman of Collett Dickenson Pearce and rated among the best).

At hest, every word counts, as the following ad for the Health Education Council graphically shows. The copywriter, incidentally, was Charles Saatchi.

"This is what happens when a fly lands on your food.

Flies can't eat solid food, so to soften it up they vomit on it.

Then they stamp the vomit in until it'e a liquid, usually stamping in e few germs for good measure.

Then when it's good and runny they suck it all back again, probably dropping some excrement at the same time.

And then, when they've finished eating, it'e your turn."

For e clue to how hard it is to copywrite well, look no further than the fact that for all the scores who call themselves copywriters in the UK ad industry, people are hard pushed to name a dozen who repeatedly excel ot it. The same three names come to the top every time—David Abbott (campaigns include Volvo, Sainsbury, Economist); Tony Brignull (Abbey Life, Barclays, Clarks, Parker); and John Salmon (Army Officer, Whitbread Trophy, Dunn's, Metropolitan Police).

The advent of television has much to answer for—creaming off much of the top talent that might previously have epplied itself to print eds, once the mainstay of agency business. Salmon, now chairman of Collett Dickenson Pearce, who has been called "one of the best copywriters in Europe" worries that with writers now so caught up in the entertainment aspect of television advertising, the business of selling (which is focused in the discipline of Press writing) is in jeopardy.

About the first thing e copywriter learns is that there is a fundamental barrier between readers and ads. "In my view," says Alfredo Marcantonio, creative director of Lowe Howard-Spink Campbell-Ewald, "copywriting is more like speechwriting than, say, journalism which it is often compared with. Basically you have someone who doesn't want or doesn't have to listen so you develop e hectoring, grabby way of taking the reader on from one sentence to the next."

Jerry Green, depnty creative director of McCann-Erickson, reckons copywriting is one of the hardest skills. "Most people, after all, don't buy a newspaper for the advertising. One mustn't forget how unimportant and trivial edvertising is to most people. Unlike journalists, we are not allowed to wander into sex, gossip, religion or other compelling topics to grab attention. I tell people that edvertising is not in competition with other ads, but with editorial, so it must try even harder to justify a reader's time. On top of that, yon have to edd in all the disparate product details that e client wants to pnt over and these are not always fascinating."

The key is to engage interest. "You cannot bore people into huying your product—only *interest* them," according to David Ogilvy, whose lists of do's and don'ts have set a standard. Headlines, in this respect, are of course critical. There is the tale, apocryphal or not, of how Ogilvy convinced a disbeliever of the value of long copy ads. "I bet," said the man, whom we shall call Adam Smart, "that you can't give me a headline that will make me want to read to the end of the ad." OK, said the master . . . "The life and times of Adam Smart." Interest engaged.

Chris Herring of agency FCO does it with his award-winning press eds for Club Mediterranée (each about 1,000 words with a half-dozen tiny pictures). "'Coh eh lay cors de tennees?' I asked. She looked bewildered. Evidently my French had a bad case of rust . . ." Or again, "'This is the life,' I thought sipping my cocktail on the sun lounger. Then I saw my wife coming towards me . . . paragliding."

John Salmon reckons the Volkswagen eds from Doyle Dane Bernbach in the iste 1950s and early 1960s "turned the page" of copywriting. Indeed they were an inspiration for e whole generation of adfolk. Until then, press writing had been rooted largely in the mail order genre. Products were immaculate and everyone overdosed on edjectives—"fantastic," "amazing," "sensational."

Then along came Bill Bernbach who dared to be different. He realised, among other things, that curiosity headlines could work. Until then headlines were cut on the product/benefit/name template. In the 1950s Bernbach gave us teaser headlines with the famous VW "Beetle" press ads. He indulged in short snappy sentences often linking cause and effect in the same breath (ie it won't freeze up because it's not water-cooled; it's air-cooled). At a time when Detroit was selling dreams, DDB told it how it was, and sold bare facts.

The Volkswagen had its problems. It was seen as e Nazi car selling to e nation with e sizeable Jewish population, and to eyes reared on longer, leaner lines in cars it was hideous—"like e powered rollerskate," says Salmon. "The edvertising focused on product benefits in e direct way that built up the total proposition of economy (i.e. low gas and oil consumption, needing no anti-freeze, German engineering). All this edded up to value for money, though this was not actually said, says Salmon. "I have on my wall an ed that is the complete opposite of this. It's for Fiat and the headline is Outstanding Valne—it must be one of the worst eds I've come ecross."

Learning how to copywrite—even the best edmit they were useless at the start—has changed a lot since the 1960s when training was the norm. "Fifty headlines before lunch," remembers Jeremy Best, managing director of Writers In Business, of his early agency days.

Nowadays—apart from the useful one year Diploma in Advertising Writing at Watford Art College—training tends to be done on the job, e case of the experienced teaching the inexperienced. Ultimately it is up to the creative director of an agency to accept or reject work and each has his own methods of tutelage. There is no shortage of talent, eccording to McCanns, which reckons of the 200 copywriting applicants it sees a year, half are employable.

While there is no rule book, pace David Ogilvy, most practitioners will tell you it is possible to pick up the rudiments of copywriting, given an interest in words and concepts. Dissecting the work of others is a good start. "I suggest yon study eds you edmire," says Jerry Green, "especially the starts of sentences, and this way you can learn e little armoury of beginnings, ways of carrying readers forward and changing tack. Then the trick is to maintain a lively style. It's easy to write an ed but to copywrite it is another matter. Humour is lovely and bathos too, but that's hard."

Marcantonio recalls Bill Bernbach'e advice of starting an ed with Dear Bill and ending Yours Harry and checking that all the words in between sit naturally. David Abbott is reputed to read his out loud to himself in a slightly American accent.

Susie Henry, joint creative director of Waldron Allen Henry Thompson and a judge on the copywriting panel of Design and Art Direction Awards recently does not underestimate the craft of writing. "It's very easy to write to formulae but what is extremely difficult is to make every piece of copy individual. I think there's a yawning gap in the long copy area in this country. I marvel at David Abbott who can write like 10 different people."

She cites his sentimental Chivas Regal ad to fathers which couldn't be more different from his matter-of-fact Volvo writing or his punning Sainsbury style. Brignull, too, tailors his tone to the client, using old-fashioned words for Dunn, the vernacular for Birds Eye and businesslike, unabbreviated tones for Barclays.

Brignull sees ads as falling roughly into two camps. Those with something to say (Clarks shoes are better because they come in five different widths) and those that are . . . well, new (such as a new lager).

He defines two sorts of writing too. There are those raised in the literary tradition who write informative press ads and those who excel at pure entertainment (Heineken, Hofmeister "Follow the bear," Hamlet cigars) that gather a following often for no discernible reason.

The latter kind can be enough to wreak sheer terror into the hearts of copywriters. Brignull confesses that "if e new lager walked in the door today I'd be sick in my stomach by tonight and probably for the next two or three weeks. That's very difficult indeed."

Even the most proficient in the business find copywriting hard graft. Marcantonio recalls a Parker ed he wrote 15 times at Colletts before it got through to the creative director (Brignull) who then turned it down three times before it was passed.

Tony Brignull has admitted that, et the beginning, he had good ideas but couldn't write. John Salmon remembers "being sub-literate. I might take e whole day to write something, then pin it on my wall for a day or two. Then I'll have another go. I can do that two or three times . . ."

Product development

Niche marketing and added value

MARKET research showing that some owners ef small dogs bought best steak for their poodle or Yorkshire Terrier gave Pedigree Petfoods an idea for developing another line in dog food.

Mr Dog was the result, a premium-priced product incorporating prime cuts and packaged in a small tin for the smaller dog. For Britain's biggest pet food manufacturer the product had a major advantage; it filled a niche that did not affect any other of its brands since in the past fond dog owners had sought the assistance of a local butcher for their expensive cuts of meat rather than a manufactured product.

There was also a wider point, according to Pam Robertson, joint managing director of marketing consultants KAE, whose company was called in to help develop Mr Dog and who believes niche marketing "is becoming more and more important."

This is that Pedigree faces particular problems in developing any new food since its share of the dog food market is large and its potential to increase share significantly is therefore limited. So it has to be careful not to take share away from its existing brands.

The idea of "adding value" to a product is another concept widely talked about by marketeers, says Robertson. "When a market is in serious decline," she says "and there does not appear to be any change in the trend on the horizon, manufacturers have to see how they can squeeze more profit from their existing sales.

"In a competitive market just putting up the price is likely to lose market share. Therefore the only alternative open to a manufacturer is to find new products with some form of added value which justifies a higher price — and therefore profit margin— and provides a product which is distinctive to that offered by the competition."

She gives the example of the match market and Bryant & May's development of Cook's Matches. Research into use of matches showed that a high proportion of matches were used in the kitchen to light the gas stove. "The cook often has wet or greasy hands, so the development of a match box with a grease-proof, wipe-clean surface provided a real consumer benefit," says Robertson. "Our research showed that the user was prepared to pay a significant premium for the product. Most surprisingly perhaps was the fact that for a short while the match market decline was halted as the interest that this new product aroused increased sales of matches."

A plethora of products drawn from around the world on display at KAE's London offices illustrates that inspiration is not always plucked from the sky but rather can come from skilful adaptation of a foreign product to the UK market.

Analysing a client's existing strengths is the first step in developing a new brand, says Robertson. "This could be in existing brands, research and development or distribution. The next step is identifying appropriate market areas where these strengths can be utilised."

"It is important to understand the structure of the market, consumer product usage and attitudes to the products. This stage alone may throw up market gaps which can be filled—as in the case of Mr Dog, or usage opportunities such as the cook's match."

Robertson admits ideas are not often obvious, however, and KAE has numerous sessions where ideas for products targeted at specific groups, specific usage and taste are thrown into the melting pot.

"It is at the concept development stage," she says, "that the brand identity starts to develop and such questions as who will use it and what is the competitive advantage over existing products are asked. Only when the concepts have been built up to answer these questions and the team of people working on them are confident that the idea will appeal to a reasonable number of people is it really worth going into consumer research."

Lisa Wood

TECHNOLOGY

EDITED BY ALAN CANE

Alistair Guild sizes up contenders in the international race to capture high-speed train sales

Germans in twin-track bid for the overseas market

BY THE EARLY 1990s, West Germany will he offering two very different types of high-speed train travel. The first, the Inter City Experimental (ICE), designed to run on most types of track, is likely to reach speeds of 350 km/hour (220 mph). A second type, the magnetic hovertrain, will need special track but could reach 400 km/hour.

The Germans decided to develop two technologies 10 years ago. With one system based on electro magnetic levitation and another along more conventional high-speed lines, they are now confident of capturing significant shares of the developing overseas market for the next generation of trains.

The ICE would be powered by two locomotives, pulling up to 14 carriages. It needs no tilting device, but instead has e unique motor unit. At high speeds, when the bogies are stable, part of the unit's weight is transferred to the carbody. At low speeds, when the curves in the treck are more difficult to negotiate, the motor unit's weight is transferred back to the drive bogies.

A second feature of the train is its bogies, which have been specially odapted for high-speed travel. The wheels, mounted in a frame made of a special fibre composite meterial, are "creep controlled." The axle is not rigid but is connected in the middle by e magnetic coupling so that the inside and outside wheels can run independently of each other.

If the train runs through sloping or curving track, the wheels on the outside will have to run further than those on the inside. Creep controlling belps reduce the friction on the outside wheel and increases the stability at speeds over 250 km/hour. It is estimated thet the wheels can travel more than 1m km without reprofiling.

'West Germany hopes to have 45 ICE trains operating four years from now'

One hindrance to the train's operation in Europe at present is that several types of current feed the rail network. This means electric drive units must negotiate different voltages and be capable of adapting to AC or DC supplies.

However it is planned to install adaptors in tha power head to enable the motor to accept the four different voltages used throughout the European network.

By 1989 West Germany hopes to have 45 such trains in operation. Each could cost about DM 25m (£6.5m). Development work has so far cost DM 72m of which the Federal Ministry of Research and Technology is contributing DM 44m.

Already, the ICE is being aggressively marketed overseas three months before the official public unvelling.

Messerschmidt, which has done most of the development work, is conducting e feasibility study for the Texas Triangle high speed rail system for example. This will connect San Antonio, Houston and Dallas, with the train travelling at up to 300 km per hour.

Interest has also been expressed by other North American railways and in Europe where a high speed network is planned to link major cities. The German train is considered one of the front runners. And next month Messerschmidt will exhibit the train et a transport fair in Tsinggan, China.

Another advantage is that the train is much more flexible than, say, the French high speed train, says Dr Christian Günter, Messerschmidt's technical director of transport systems. "You can have as many or as few cars as you want, giving the train variable capacity, whereas each French train has e fixed capacity. Yoo either have one train running or two together. No intermediate steps are possible."

The interiors of the carriages have been designed so that the same shell can be adapted to provide comforts to suit e range of passengers. According to Dr Günter, this is another improvement over the French train.

Dr Günter sees the French TGV and a Japanese train offering the stiffest international competition. The Japanese have plans to increase speeds to 270 km/hour but are only now looking seriously at overseas markets. He does not consider the British advanced passenger that of the ICE, it is considered to have two big advantages over train to be one of the main competitors.

The other string to West Germany's bow is the magnetic hovertrain. Though its development is not so far advanced as more conventional high speed trains.

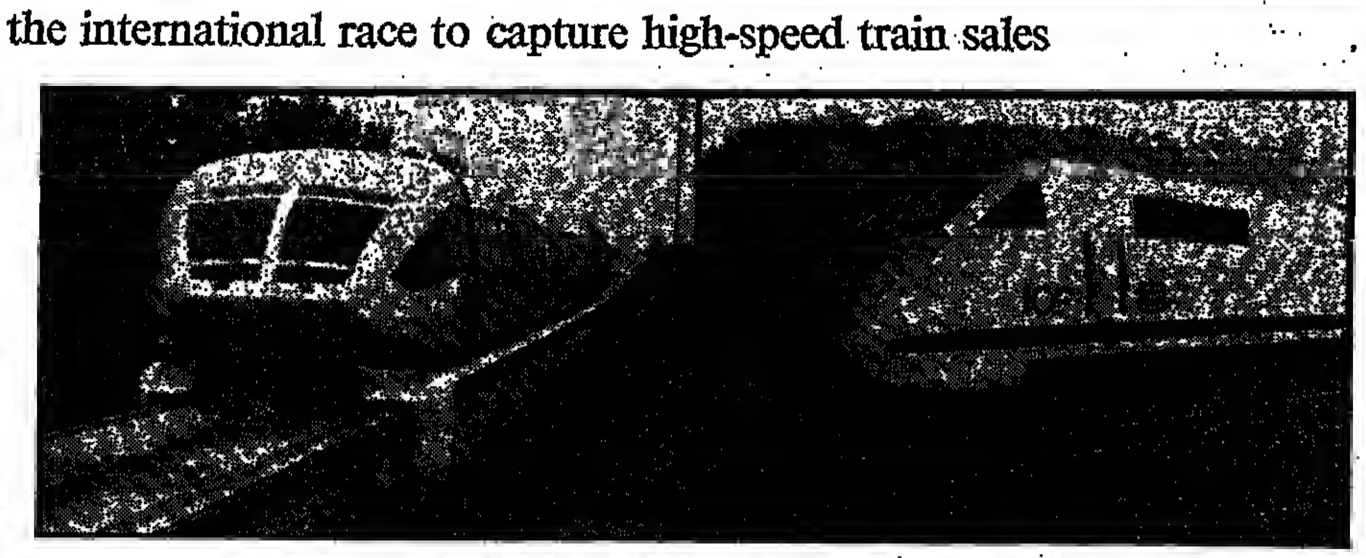
According to Dr Jürgen Bandel, head of transport technology at the Bonn Research Ministry, the magnetic train will be much quieter and the special track required will he cheaper than conventional track. A recent study showed that one kilometre of double track built for the magnetic train would cost DM 15m, with more conventional track built for the ICE costing DM 35m/km. One reason, says Dr Bandel, is that magetnic track can hug land contours and does not require large civil engineering works.

So far, the train has run only over a 21km-long test track, though it has covered 5,000km sometimes at speeds of 302km/hour without any significant failures. Present experiments in Emsland, north west Germany, are being conducted by Transrapid International, a consortium including Lufthansa, Messerschmidt-Boelkow-Blohms, and German Federal Railways. In March 1987, the train is expected to reach 400 km/hour on e 31 km test track now under construction.

It works on the same basic principle of electro-magnetic levitation used by the Japanese prototype and can be operated without a driver. The main difference between the German and British magnetic levitation train, which connects the National Exhibition Centre with Birmingham city centre is that the UK version was designed as an urban train. The German version, with its likely mean speed of 380 km/hour, is most suitable for distances between 500 and 1,500 km, says Dr Bandel.

The hovertrain, projected by the Germans as e candidate for the high speed link between Germany, Belgium and France now under discussion at an international level, is also being mentioned as e possible research project of Eureka, the French plan for a European high-technology community.

Within Germany, it is being considered, along with the ICE, for e service between Hanover and Würzburg, with tha train being built and operated by private companies.



West Germany's dual approach: the magnetic hovertrain (left) and the Inter City Experimental

French follow a different track

THE FRENCH epproach to high-speed rail travel is to lay improved track that allows their existing TGV train to reach 237 mph instead of the present 125 mph.

However, its top speed in everyday use will be 162 mph. The first stage of the new line from Paris to Lyon was completed in 1983. The next stretch will link the north of France with Brittany and the south-west.

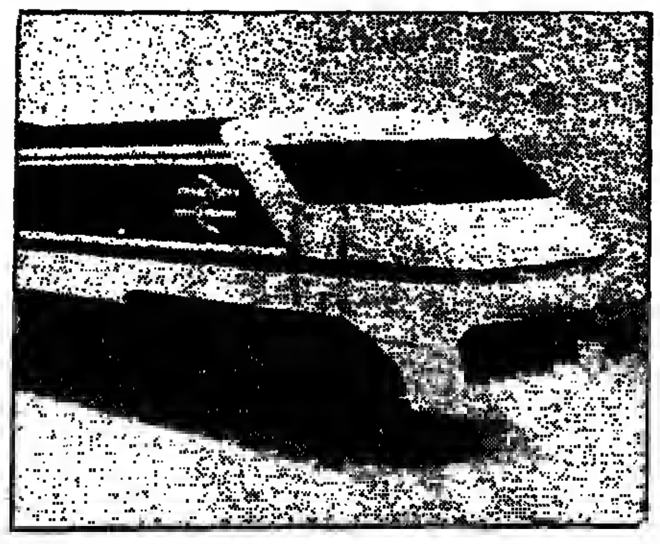
The train cannot exceed 125 mph on existing French track because the signals are too closely spaced, the points are not safe enough, and the track not straight enough to take e train without e tilting device. The French investigated tilting in the mid-1960s but found it too expensive.

The new line has e conventional structure, but is reinforced using welded rails, concrete sleepers and very thick ballast. Switches, crossings and curves have been designed to be taken at very high speed, and all level crossings eliminated for safety reasons.

The French government has high hopes that a working party set up by transport ministers of France and Germany to decide on a high-speed connection linking Paris and Cologne via Brussels will opt for the TGV.

It also bas its sights firmly fixed on a Channel tunnel rail link, with a branch line linking the French side to the whole European network.

SNCF, the French state railway, is not planning any major technical development of the TGV. Although the train is designed so that it can only carry one or two set of carriages, SNCF denies that this puts the TGV at a disadvantage. For its high-speed service to south-west France, the TGV will use a set of 10 rather than eight carriages as at present.



The British Electra: More than just a power car.

Tilting trains: British Rail tries again

DESPIE the decision to abandon its Advanced Passenger Train, British Rail is pressing ahead in developing trains that tilt.

But now its emphasis is on tilting only the rolling stock instead of the entire train.

The new train, the Inter City 225, will be hauled by the Electra, a new electric locomotive capable of 140 mph. It has the additional advantage that it can be used to haul trains, unlike the APT or the existing diesel High Speed Trains.

BR's emphasis is now on developing new rolling stock for use on the main east coast line, earmarked for electrification, and new tilting rolling stock that can cope with the curves of the west coast main-line track, which is already electrified.

"The UK is leading the world in tilt development," saya Mr Andrew Higton, BR's project engineer. "This could put the IC225 at e distinct advantage over its French and German counterparts should a European network use existing lines. The German train couldn't run on the existing UK west coast line ot very high speeds, for example, and give passengers standing or walking around the carriages any level of comfort.

"Our research has shown that it is journey time, not speed that is important. Speeds of more than 200 km/hour (125 mph) are not worth it. Tilt allows the train to increase average speed over the whole journey, without increasing the amount of energy and without necessarily increasing the maximum speed, just because the train doesn't have to slow down to take corners."

The trains will be either pushed or pulled by the Electra. BR has invited tenders for the design, development and manufacture of the Electra and is considering three bids. It should place orders within two months.

"The Electra is a locomotive, not just e power car," says Mr Higton. "It can be detached and used for other duties when not towing the IC225. That is e fundamental difference from the French, German and Japanese high-speed trains. It is also e departure from the existing APT configuration, where the power unit is in the centre of the train."

The loco will have cabs at each end. One cab will have a vertical profile which, on high-speed journeys will back on to the front of the carriages. When facing forwards, its speed will be limited, so that it would be used, for example, on overnight freight services between Scotland and England. The other end will be streamlined and designed to go at high speeds.

Each train will also have a non-powered driving vehicle at the opposite end to the locomotive. When the train arrives at its terminus, the driver could walk from one end of the train to the other and set off on the next journey.

Optimism in Japan

JAPANESE National Railways is entering its sixth year of tests on e prototype levitating train. Capable of speeds of 500 km/hour (313 mph), the Super-conductive Magnetic Levitated Vehicle will ride 10 centimetres above the track.

JNR are optimistic about the future for the MLV ur Super Maglev. Mr Yoshiro Kyotani, technical director says "The age of the Super Magley will come earlier than expected. The recent developments in the necessary frontier technologies, such as cryogenics (very low temperatures) and superconductivity have convinced us that the new transport system will be realised earlier than expected."

BUSINESS LAW

Bankers versus U.S. judges

By A. H. HERMANN, Legal Correspondent

COURTS CONFUSE businessmen, or so I said last week. This week, I have to add that, in their turn American courts are being confused by bankers, who are businessmen of sorts. There is a difference, however. The bankers need not fear any punishment for throwing good money after bad: if they do so individually they will be rescued by a kindly central bank; and if they act collectively for sovereign borrowers, no one dares to mention it for fear of shaking the house of cards known as the "international credit system."

All this comes very much to mind as one reads the two entirely contradictory judgments passed by the same three appeal judges of the U.S. Court of Appeals for the Second Circuit in one and the same case, namely, the *Allied Bank International v. Banco Credit Agicola de Cartago.*

When reporting the first of these judgments,* Allied I, in this column on May 24, 1984, I said that it made New York law and New York courts unsafe for international lenders. The court bent over backwards to prevent a "rogue" bank from spoiling a settlement, designed to paper over Costa Rica's default on promissory notes issued by its three state-owned banks. It achieved the desired result by concluding that what the Costa Rican Government did was not much different from a moratorium accorded to a U.S. insolvent company under Chapter 11 of the U.S. Bankruptcy Code. Moreover, the court said, this moratorium was in line with the policy of the International Monetary Fund, enjoying the support of the U.S. Government. Hence, comity — the mutual respect of courts — demanded that Allied should not be allowed to enforce the payment of the bills in New York.

It seemed to me then that such extraterritorial application of U.S. involvency laws at the cost of American and non-American creditors was outrageous. It would deter potential lenders from making their loans payable in New York and from choosing New York law and New York courts for the settlement of disputes. These feelings were echoed on the other side of the Atlantic. As a result, the Appeal Court decided to think again and ordered a rehearing.

To please the banks, which were now afraid that Allied I might drive international loan business away from New York, the court bent again, this time in the opposite direction, and held, in Allied II† that the payment of the promissory notes should be enforced. To reach this conclusion, the judges performed some remarkable self-criticism, worthy of Communist devietionists seeking re-admittance to the Party.

Leaving aside the doctrine of comity, the court this time concentrated on the applicability of the Act of State doctrine. In the light of past jurisprudence U.S. courts will not sit in judgment on acts of a foreign government that are effective only within that government's own territory. And they will respect such acts even if these have effect within the U.S., so loog as the effects are compatible with the law and policy of the United States.

The first question which the newly assembled court had to answer, therefore, was whether the loans were situated in the U.S. or in Costa Rica. The court chose to be guided by an earlier ruling of the Fifth Circuit in *Tabacalerott*, according to which for the purposes of an Act of State the location of a debt depends largely on whether the Act of State—a confiscation as a rule—can "come to complete fruition within the dominion of the (foreign) government."

The court reasoned that not only were the loans negotiated and the bills payable in New York and the Costa Rican banks submitted to the jurisdiction of New York courts, but that the U.S. also had "an interest in maintaining New York's status as one of the foremost commercial centres in the world." But the lucidity of this statement was rather spoilt when the court added that Costa Rica's interest in the contract was "essentially limited to the extent to which it can unilaterally alter the payment terms."

Having thus reached the conclusion that the *situs* of the debt was in the U.S. and not in Costa Rica, the court bed to consider whether the act of the Costa Rican Government might, even so, command respect because it was consistent with U.S. law and policy.

This time the court had the benefit of *amicus curiae* brief from the Department of Justice, stating that the U.S. supported the debt resolution procedure of the IMF only on the understanding that the underlying obligations to pay remained valid and enforceable. *Ergo*, the Costa Rican Act of State was inconsistent with U.S. policy as it aimed at making the promissory notes unenforceable. *Ergo*, the Act of State doctrine was not applicable. The payment of the bills would be enforced.

However, the banks still seem to be unhappy. The first judgment did make New York a rather undesirable place for such business, but they also dislike the second judgment because it gives individual banks too much scope for spoiling a tidy renegotiation exercise. They want to have their cake and eat it. At least three eminent lawyers have sprung to their help.§

Mr Andrew C. Quale, Jnr., of the New York law firm Sidley and Austin and the Virginia Law School, thinks that Allied II is a precedent of doubtful value, mainly because the court muddled up the determination of where the loan was situated. He argues, not very convincingly, that to establish *situs* in the U.S., Allied would have to be able not only to enforce but also collect the bills in the U.S. —which it could not because the Costa Rican banks had no money there.

Quale prefers the Allied I conclusion that the Costa Rican foreign exchange decrees did not constitute a repudiation of the debt, but merely a deferral of payments and that this moratorium should be respected so long as it treated U.S. creditors equitably on the analogy of the U.S. Bankruptcy Code. Though he edmits that Allied II is generally viewed as the lesser of two evils, he does not much like the court's deference to the U.S. Executive. He fears that government intervention in cases like this may encourage foreign governments to press for similar intervention in other cases.

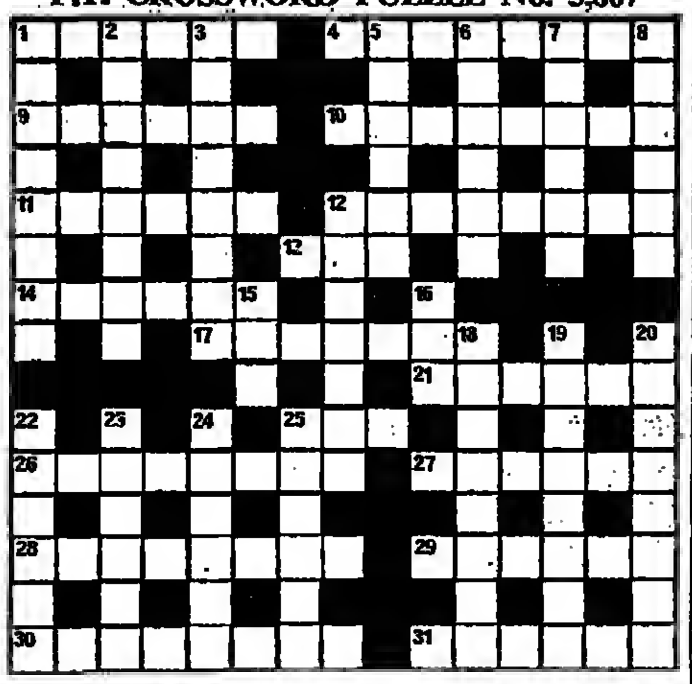
Mr Robert E. Herzstein, of the Washington law firm Arnold & Porter, also regrets the court's deference to the Executive. Allied II assumes that "the applicability of the [Act of State] doctrine depends on the likely impact on international relations thet would result from judicial consideration of the foreign sovereign's act" but Herzstein thinks thet "international business affairs can, to a large extent, be governed by the rule of law evenly applied." In his view no country needs to respect extraterritorial effects of the laws of another country if these nullify rights existing under its legal regime.

Dealing with this aspect of the judgment, Mr Barry R. Campbell of the Toronto law firm, McCarthy & McCarthy, points out that "foreign observers may see in Allied II yet another example of the refusal of U.S. courts to recognise foreign governmental acts with effects in the U.S. while at the same time the U.S. continoes to assert the predominance of its laws and policies over individuals abroad and over foreign contractual obligations, as in the case of the Siberian pipeline." He would prefer a (not pleaded) solution based on Article VIII section 2(b) of the IMF agreement which provides thet exchange contracts contrary to the exchange control regulations of a member state should be unenforceable. This would, in his view, require e rewording of Article 6 to make it clear that any contract that affects a country's balance of payment, e.g. an international loan agreement, is an exchange contract.

Unlike Herzstein, Campbell would give a broad scope to the Act of State doctrine. He argues that, if epplied by a foreign court, its territorial limitation could restrict the reach of U.S. law and policy. So it would, but what is wrong with that?

* *733 F 2d 23 (2d Cir 1984)*
† *757 F 2d 516 (2d Cir 1985)*
‡ *Tabacalera Severiano Jorge v Standard Cigar Co, 392 F 2d 706 (5th Cir 1968)*
§ *See International Financial Law Review, August 1985 pp 28-31.*

F.T. CROSSWORD PUZZLE No. 5,807



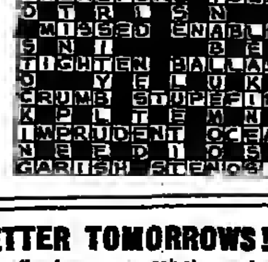
ACROSS

1 Having a dog in view as guard (6)
4 Support outside chance, being more eudacious (8)
9 Time allowed after five is for face make-up (6)
10 Lack of change affecting seamen on a big ship (6)
11 Careless soldiers don't hit the target (6)
12 Stick around to train, though it's demanding (8)
13 Look a little pink because embarrassed (3)
14 Patient caretakers (6)
17 Brings together ringleader and accomplices (7)
21 Deplore crack about exercise (6)
25 Wood has to be treated (3)
26 Agreement to make a reduction (6)
27 Sardonic humour when coming back weary (6)
28 Loyal people putting Eastern jewel in the right setting (5, 3)
29 The pictures came in damaged (6)
36 Like a star taking a certain measure in the country (6)
31 Tender grub (6)

DOWN

1 Cutting to make a song about always (6)
2 Note the residue only is material (8)
3 Beginning racing for example, tries setting a record (8)
5 Tending to be competent after 51 (6)
6 Belief in the cashless society? (6)
7 Siberia may be without a flower (6)
6 Some scores ignore their entitlement to leave (6)
12 Engineer with bad back — a good man — a man of music (7)
15 An instrument that gets noticed (3)
16 Quiet royal characters are seen through (3)
18 Vets' idea for giving a tranquilliser (6)
19 The result of settling (6)
20 Cheapest way to travel in the main (8)
22 Plates of fish (6)
23 One may well bless such an explosion! (6)
24 Test the gold and do business (6)
25 It's the current American coinage — emphasise that (6)

Solution to Puzzle No. 5,806



APPOINTMENTS

Redfearn finance director

Mr W. M. Gibson has been appointed finance director of REDFEARN NATIONAL GLASS. He was finance director of Illingworth Morris. Mr M. C. Whatley becomes administration director and continues as company secretary. Mr Arthur Church, group managing director of Redfearn National Glass, will also become managing director of RN Plastics succeeding Mr John Seymour who has left the company. The new appointments take effect on September 2.

★

Mr Michael Gatenby will shortly be joining the board of CHARTERHOUSE JAPHET as head of the corporate finance department. He comes from Hill Samuel where he has been a senior director in the corporate finance department. Charterhouse Japhet is part of the Royal Bank of Scotland Group.

★

Mr John Chambers has been appointed a diretcor of INDUSTRIAL MOTIVATION. He was previously marketing manager of the agricultural division of Streetley Co.

★

Mr Graham W. D. Boyce has been appointed deputy managing director of SEADOCS REGISTRY, a subsidiary of The Chase Manhattan Corporation. He joins from SRI-International, where be was senior management systems consultant. Also joining are Mr David Godfrey as operations services manager from the British National Oil Corporation where be was manager — supply operations; Mr Ferdinand L. de May as senior legal advisor until his retirement in June; and Mr Anthony B. M. Albert as marketing director, formery Europe trade service products manager for The Chase Manhattan Bank.

★

Mr Chris Williams, has joined D. C. GARDNER and CO as assistant director. He was with the Midland Bank's corporate finance division.... Mr John McDavid, formerly a senior manager at Barclays Bank International, has also joined as a senior consultant.

★

Lloyd's brokers MILES, SMITH REINSURANCE has appointed Mr Simon Johnson to the board. He will primarily be responsible for the North American account.

★

Mr Ken Allstaff has been appointed marketing director of RACAL-MESL. He joined Racal in 1979 as European sales manager, and two years later he was promoted to sales and marketing manager.

★

Mr Leif Mills has been reappointed a member of the MONOPOLIES AND MERGERS COMMISSION for a further three-year period from September 1. Also reappointed is Professor Kenneth George for a further three months from September 1 until November 30 so that he can complete work on the current investigation into white salt. Mr Mills is general secretary of the Banking, Insurance and Finance Union. Professor George has been Professor of Economics at University College, Cardiff since 1973 and was deputy principal from 1980 to 1983.

★

Admiral Sir Lindsay Bryson has been appointed a non-executive director of ERA TECHNOLOGY. Sir Lindsay, who was until recently Controller of the Navy, will become president of the Institution of Electrical Engineers in October.

★

Mr Edward R. S. Whitefield has been appointed chairman as well as chief executive of MANAGEMENT HORIZONS (HOLDINGS). Mr Robert Pollard becomes an executive director. Mr Damian Norton, Mr Lionel Brogan, Mr George Adams and Mr David Jeary have been appointed associate directors.

★

Mr James Simonds has been appointed sales director of JOSEPH SAMUEL & SON, cigar shipped. He joins on August 29 and was formerly a director of Tollemache & Cobbold Breweries.

★

Mr Dugald Graham-Campbell and Mr John Langford have been appointed joint managing directors of BAIN DAWES CREDIT. Mr Graham-Campbell will have responsibility for the London and central divisions and Mr Langford for the northern division.

★

Mr Eric L. Jones has been appointed managing director of MYSON FANS, part of Myson Group. He was previously director of manufacturing for the air distribution division of Barber Colman Co.

★

Sir Peter Lane, a director, has appointed deputy chairman of MORE O'FERRALL. He is senior partner of Binder Hamlyn.

★

Mr Richard Jackson has been appointed representative at NATIONAL WESTMINSTER BANK'S office in Mexico City. He was manager of the shipping section, corporate financial services region, international banking division.

Mr Alex Dorr has joined OFFSHORE PRODUCTION SYSTEMS, a subsidiary of Combustion Engineering, as a director of operations.

★

Mr John Gardner, director of business strategy for mainframe systems, has been appointed to the board of ICL (UK).

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

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CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd. (a)(g)
252, High Holborn, WC1V 7EB. 01-405 8441

Pearl Growth Fd.	62.8	66.8	-0.2	3.42
Accum Units	92.9	98.8	-0.3	3.42
Pearl Inc.	87.1	44.8	-0.2	5.01
Pearl Unit Tst.	92.7	98.6	-0.4	4.14
(Accum. Units)	156.8	166.8	-0.6	4.14

Perpetual Unit Trust Mngmt. (a)
48, Hart Street, Henley on Thames. 0491 576868

Growth	181.6	194.9	-0.1	1.52
Income	139.5	149.4	-0.2	5.34
Worldwide Recovery	102.8	110.4	-0.2	2.15
American Growth	55.0	58.9	-0.1	0.71
Intl. Emerging Cos.	58.5	62.8	-0.1	0.74
Far East Growth Fd.	46.3	49.7	-0.1	1.0

Prolific Unit Trusts
222, Bishopsgate, EC2. 01-247 7544/7

Prolific Far East	100.8	108.0	....	0.29
Prolific Extra Inc.	61.6	65.7	-0.1	4.16
Prolific Gilt Cap.	83.5	86.8	+0.5	3.17
Prolific High Inc.	130.4	139.0	-0.4	5.38
Prolific Intl	91.6	97.4	-0.1	1.77
Prolific N. Amer.	114.4	122.6	+0.4	2.53
Prolific Spec. Sits.	141.3	150.6	-0.9	1.49
Prolific Technology	98.9	105.4	-0.3	0.97

Providence Capitol Fd. Mgrs. Ltd.
30 Uxbridge Road, London, W12 8PG. 01-749 9111

Japan Trust	49.0	51.4	....	—
Worldwide	47.3	50.1	....	2.62
European Trust	50.3	53.3	0.1	2.17
North American	47.1	49.9	-0.1	2.07
UK Equity	49.6	52.5	-0.3	4.01

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)
51-59, Ilford Hill, Ilford, Essex, IG1 2DL 01-478 3377

Holborn Equity Tst.	322.6	343.1	-1.0	3.64
Holborn Gilt Tst.	155.3	162.3	+0.1	7.26
Holborn High Inc.	55.3	58.8	-0.1	6.86
Holborn Intl.	59.9	63.7	-0.2	0.53
Holborn UK Growth	63.4	67.4	-0.3	3.26

Quilter Management Co. Ltd.
31-45 Gresham Street, EC2. 01-600 4177

Quadrant Gen. Fd.	322.9	343.5	--	3.79
Quadrant Income	176.5	187.5	--	6.01
Quadrant Intl. Fund	288.2	303.4	.	1.57
Quadrant Recovery	200.6	213.4	.	2.69

Reed Stenhouse Inv Services Ltd
145 Borough High St, Ldn SE1 1NV 01-628 8011

Wellington Inc.	50.5	52.8	....	6.00
Wellington Growth	102.9	109.5	....	2.00

Reliance Unit Mgrs. Ltd.
Reliance Hse, Tunbridge Wells, Kent. 0892 22271

British Life	133.3	147.0	-0.6	4.93
Reliance Unit Tst (Inc)	85.4	91.3	-0.2	5.08
Reliance Ut Tst (Acc)	110.2	117.7	-0.3	5.08

Ridgefield Management Ltd.
35 Fountain St, Manchester M2 2AF. 061-236 5685

Income UT	88.7	94.8	-0.9	7.02
International UT	215.0	229.9	+2.2	1.00

N.M. Rothschild Asset Management
St Swithin's Lane, London EC4. 01-280 5456

NC America (Inc)	220.6	232.2	+0.2	1.44
NC America (Acc)	236.4	248.5	+0.2	1.44
NC Engy Res. Tst.	157.4	165.6	+0.4	2.48
NC Inc Fd.	66.5	72.0	-0.1	4.95
NC Japan Fund	101.6	106.9	-1.1	0.02
NC Smaller Cos	109.4	115.1	+4.0	2.04
NC Smaller European	105.5	111.0	-1.1	0.79
NC Exempt Gilt Tst*	£120.0	125	....	10.74
NC American Prop*	$11.21	11.80	....	—
NC Prop.*	178.0	196.0	....	—

*Unauthorised Unit Trusts.

Rowan Unit Trust Mngt. (a)
1 Finsbury Av, London, EC2M 2PA. 01-606 1066

American Aug 22	188.5	192.5	....	1.57
Securities Aug 27	551.0	566.0	....	2.97
High Yield Aug 23	126.0	129.5	....	6.06
Merlin Aug 28	272.5	280.5	+13.5	2.12
Fixed Interest	153.5	154.5	.	2.78
High Interest	118.6	119.0	-2.5	12.51
Far East Aug 21	117.5	121.0	....	1.14

Royal Life Fd. Mgmt. Ltd.
New Hall Place, Liverpool L69 3HS. 051-227 4422

Equity Trust	48.1	51.1	-0.3	3.20
International Trust	52.7	56.0	-0.2	1.76
United States Trust	26.2	27.8	-0.2	1.99
Pacific Basin	23.8	25.3	-0.1	0.76
Gilt Trust	25.5	26.8	+0.1	7.91

Royal London Unit Tst Mgrs Ltd
Ryl. Ldn Hse., Colchester, CO1 1RA 0206 576115

American Growth	68.9	73.4	+0.1	1.17
Capital Accum	142.5	151.7	-1.3	3.30
Gilt Income	50.0	51.5	-0.2	9.51
High Income	56.8	60.5	-0.3	6.91
Income & Growth	69.9	72.3	-0.5	5.22
Japan Growth	48.4	51.5	-0.2	0.10
Special Sits	78.7	83.8	-0.6	2.05

Royal Trust Can. Fd. Mgt. Ltd.
48-50, Cannon St, London EC4N 6LD. 01-236 6044

Capital Fund Aug 15	142.3	152.2	....	2.0
Income Fund Aug 15	118.1	126.3	....	6.8
Intl Exempt* July 31	£20.75	21.51	....	2.90

*Unauthorised

SKG Management Limited
20 Copthall Ave, EC2R 7JS. 01-600 7595

Gilt Acc.	108.0	112.5	-0.4	3.60
Do. Dist.	104.3	108.4	-0.5	3.60
Inc & Gwth in Accum	127.3	135.4	-0.4	2.90
Do. Accum.	127.3	135.4	-0.4	2.90

Save & Prosper Group
28, Western Rd., Romford, RM1 3LB.
68-73 Queen St, Edinburgh EH2 4NX.
(Romford) 0708-66966 or (Edin.) 031-226 7351

Amer Inc & Gwth Fd (z)	60.5	64.6	-0.1	8.07
Capital	80.1	85.6	-0.4	2.56
Commodity	49.7	53.1	-0.4	3.91
Energy Inds	49.4	52.8	+0.1	2.74
European (z)	59.3	63.4	....	1.09
Exempt Income*	59.5	62.7	....	6.44
Exempt Int*	51.4	54.2	+1.7	3.28
Exploration Fund (z)	36.8	39.3	+0.5	0.85
Financial Secs	71.9	76.8	-0.4	2.71
Gilt & Fxd Int Gwth	76.0	76.8	....	3.26
Gilt & Fxd Int Inc.	53.1	55.9	....	11.07
High Return	134.5	143.8	....	6.09
High-Yield	122.0	129.9	-0.4	5.61
Income	74.1	78.9	+1.0	7.14

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG
0264 62188 Dealings to 0264 63432-3

TSB American	89.9	95.7	-0.5	1.52
Do. Accum.	93.7	99.7	-0.5	1.52
TSB Extra Income	82.1	87.6	-0.2	6.51
Do. Accum	94.7	100.8	-0.2	6.51
TSB General	119.5	127.1	-0.5	3.41
Do. Accum.	193.3	205.8	-0.9	3.41
TSB Gilt & Fxd Int.	47.2	49.2	...	9.41
Do Accum.	58.1	60.6		9.39
TSB Income	163.9	174.4	-0.2	5.06
Do. Accum.	247.2	263.0	-0.3	5.06
TSB Pacific	100.5	107.0	-0.1	0.61
Do. Accum.	103.1	109.7	+0.1	0.61
TSB International	223.8	238.1	-0.5	1.89
Do. Accum.	272.4	289.8	+0.7	1.89
TSB Natural Resources	44.8	47.7	+0.4	2.11
Do. Accum	45.3	48.2	+0.5	2.11
TSB Sctld. Opps.	47.0	50.1	.....	2.50
Do. Accum	50.6	51.9	.....	2.50

3i & Target Fund Mgrs Ltd
Target House, Gatehouse Road, Aylesbury, Bucks
Aylesbury (0296) 5941

Small Co's Fund	65.3	69.8	..	0.10

Target Trust Mngrs. Ltd. (a)(g)
Target Hse, Gatehse. Rd, Aylesbury Bks (0296) 5941

American Eagle	63.3	67.7	+0.2	0.28
Australia	29.4	31.4	+0.3	0.10
Commodity	87.0	93.5	..	2.00
Energy	39.6	42.4	+0.3	0.32
Equity	99.2	105.8	-0.6	3.85
European Spec. Sits.	54.1	57.9	..	0.61
Extra Income	89.4	95.6	-0.2	8.50
Financial	208.9	222.6	-0.9	2.56
Gilt Capital	222.8	233.3	....	3.25
Gilt Income	100.7	105.4	....	8.97
Gold Income	59.0	63.1	+1.3	1.66
Gold Acc.	106.7	114.1	+2.2	1.66
Income	60.1	64.5	-0.3	4.81
Japan	44.0	46.9	-0.1	0.10
Malaysia & Singapore	22.0	23.5	..	0.69
Pacific Income	60.9	65.1	....	0.52
Pacific Re Inv.	74.6	79.8		0.52
Preference Share	13.0	17.1	+0.2	10.18
Professional	489.7	522.3	-0.9	1.48
Special Sits	80.2	85.8	-0.3	1.16
Technology	40.7	43.5	+0.2	0.10
U.S. Special Bond	49.2	52.6	..	6.42
Worldwide Capital	107.9	115.1	-0.3	1.83
Equity Exempt July 30	632.2	674.3	....	2.43
Equity Ex Acc July 30	1,161.9	1,239.4	....	2.43

Temple Bar Unit Trust Mgrs Ltd
P.O. Box 442, 32 St Mary-at-Hill, EC3. 01-623 9333

Electra Small Cos. Fd.	117.7	124.2	.	4.16
High Income	41.4	44.4	...	7.36
North American	101.4	107.7	-0.6	0.90
Recovery	124.0	131.9	-0.9	3.83
Gilt Trust	37.8	39.2	-0.1	9.60
St Vincent U.S. Gwth	62.9	65.6	-0.2	1.02
St. Vincent High Inc.	68.7	67.0	-0.1	6.61

Touche, Remnant Unit Trust Mngt. Ltd.
Mermaid Hse, 2 Puddle Dock, EC4. 01-248 1250

TR American Growth	27.8	29.9	-	0.26
TR General Growth	40.7	43.0	-0.1	2.99
TR Global Tech	27.8	29.4	-0.2	0.1
TR Income Growth	45.1	48.4	.....	5.27
TR Income Monthly	38.8	41.5	+0.1	7.58
TR Overseas Growth	31.8	33.8	+0.1	1.72
TR Smaller Co.	42.4	45.2	...	1.84
TR Special Ops	42.8	46.0	+0.2	1.14

Trades Union Unit Trust Managers
100, Wood Street, EC2. 01-628 8011

TUUT Aug. 1	125.4	132.1	....	3.95

Transatlantic and Gen. Secs. (c) (y)
91-99, New London Rd., Chelmsford. 0245-51651

Cabneco Aug 23	365.0	381.4	---	4.50
(Accum. Units)	582.8	609.0	---	4.50
Fielding Fd Aug 22	196.6	207.0	---	3.63
(Accum. Units)	213.5	224.8	---	3.63
Fielding Inc Aug 22	133.0	140.1	---	5.29
Fleting Am&Gen Aug 22	193.5	205.7	---	1.70
(Accum. Units)	217.5	229.0	---	1.70
S&W American Aug 28	129.0	135.8	+0.8	1.99
S&W Smlr Secs Aug 28	96.5	101.4	+0.1	1.07

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 732241

Australian Securities	63.9	68.4	+0.6	0.81
(Accum. Units)	65.7	70.3	-0.7	0.81
Capital	262.1	278.0	-1.9	4.27
(Accum. Units)	456.2	483.6	-3.2	4.27
Exempt	210.4	233.2	+0.2	7.43
(Accum. Units)	481.0	512.3	+0.4	7.43
Far Eastern	112.7	120.6	-0.3	1.18
(Accum. Units)	119.6	128.0	-0.3	1.10
Fin & Prop.	41.3	44.0	-0.4	4.19
(Accum. Units)	63.5	67.7	-0.5	4.39
Gilt Capital Trust	117.4	122.1	....	6.96
(Accum. Units)	128.6	133.7	+0.1	6.46
Gilt Income	106.2	110.1	....	9.95
(Accum. Units)	160.0	166.0	....	9.95
High Yield	40.4	43.1	-0.1	7.42
(Accum. Units)	84.0	89.5	-0.1	7.47
Income	173.6	184.4	-0.4	6.71
(Accum Units)	513.2	544.5	-0.9	6.71
Int. Ems	125.1	133.3	-1.1	3.34
(Accum. Units)	177.4	189.0	-1.7	3.34
International Growth	56.6	60.3	+0.3	1.56
(Accum. Units)	57.9	61.7	+0.3	1.56
Japan Growth (Acc)	56.0	59.9	-0.3	0.20
Natural Resources	179.9	191.6	+1.5	2.45
(Accum Units)	255.3	271.9	+2.1	2.45
Nth Amer Grth	104.3	111.4	-0.2	1.43
(Accum Units)	119.4	127.8	-0.3	1.43
Pref	108.5	115.6	+0.5	11.34
(Accum Units)	258.4	275.2	+1.1	11.34
Smaller Cos.	145.0	154.5	-0.8	2.68
(Accum Units)	191.5	204.0	-1.2	2.68
Smaller Cos. Div.	44.6	47.6	+0.1	7.20
(Accum Units)	49.2	52.4	+0.1	7.20
Special Sits	83.4	88.9	.....	2.64
(Accum Units)	85.8	91.4	+0.1	2.64
European Growth	56.3	60.0	+0.5	1.81

Unit Trust Account & Mgmt. Ltd.
Regis Hse, King William St, EC4R 9R. 01-623 4951

Friars Hse. Cap. Fd.	101.9	108.5	....	2.30

Vanguard Trust Managers Ltd.
Bath Hse, London, EC1A 2EU. 01-236 3053

American & Gen Aug 27	44.3	49.3	....	3.08
Growth Aug 27	131.7	138.0	....	3.39
(Accum. Units)	190.6	199.8	....	3.39
High Yield Aug 27	144.9	154.6	....	5.76
Special Sits Aug 28	280.6	295.3	+2.9	3.61
Trustee Aug 22	99.0	105.0	+1.0	4.30

Allied Dunbar Assurance PLC
Allied Dunbar Ctr, Swindon SN1 1EL. 0793 28291

Confederation Life Insurance Co.
50, Chancery Lane, WC2A 1HE. 01-242 0282

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. 0992 31971

Legal & General (U.A.)—Contd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU Burgh Heath 53456

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

Scottish Life Investments
19 St Andrew Square, Edinburgh 031-225 2211

Property	105.6	111.3		
UK Equity	127.5	134.3	-0.1	
American	124.7	131.4	-0.8	
Pacific	94.5	99.5	-0.4	
European	123.4	130.0		—
International	112.4	118.4	-0.3	—
Fixed Interest	105.3	111.0		—
Index Linked	102.9	108.4	+0.4	—
Deposit	104.2	109.8		—
Managed	112.1	118.1	-0.1	—
Pens. Property	110.2	116.1		—
Pens. UK Equity	134.1	141.2	-0.1	—
Pens. American	132.3	139.3	-0.9	—
Pens. Pacific	96.4	101.5	-0.4	—
Pens. European	128.8	135.6		—
Pens. International	117.0	123.3	-0.4	—
Pens. Fixed Int.	109.1	114.9		—
Pens. Index Linked	105.9	111.6	+0.4	—
Pens. Deposit	110.7	116.6		—
Pens. Managed	116.5	122.8	-0.1	—

Scottish Mutual Assurance Society
109 St Vincent St, Glasgow. 041-248 6321

Fkh Bnd Aug 16	611.9	630.8		—
Pen Mngd June 28	406.4	419.0		—

Scottish Mutual Investments
109 St Vincent St., Glasgow. 041-248 6321

Safety Fund	99.0	104.3	+0.2	—
Growth Fund	96.6	101.7		—
Opportunity Fund	95.8	100.9	-0.5	—
Cash Fund	96.7	101.8		—
European Fund	101.0	106.4	+0.2	—
Gilts & Fxd Int Fund	100.8	106.2	+0.2	—
Index-Linked Fund	97.3	102.5	+0.3	—
International Fund	92.0	96.9	+0.1	—
North American Fund	93.7	98.7	+0.3	—
Pacific Fund	93.8	98.8	+0.5	—
Property Fund	96.7	101.8		—
UK Equity Fund	96.1	101.2	-0.7	—
UK Smaller Cos. Fund	98.8	104.0	-0.2	—

Scottish Provident Institution
6 St Andrews Sq, Edinburgh. 031-556 9181

Sun Life Unit Assurance Ltd.
St James Barton, Bristol BS99 7SL. 0272 426911

Managed Acc.	319.0	335.8	+0.4	
Property Acc.	198.1	208.6	+0.1	
Equity Acc.	445.7	469.2	-1.2	
Fixed Interest Acc.	188.4	197.5	+0.1	—
Index-Linked Acc.	104.9	110.5		—
Cash Acc.	168.3	177.2		—
American Equity Acc.	172.5	181.6	+1.7	—
U.S. Bond Acc.	102.6	108.0		—
Japan Acc.	111.7	117.6	+1.0	—
Pacific Acc.	103.0	108.5	+0.7	—
Far Eastern Acc.	227.3	239.3	+1.0	—
International Acc.	225.0	236.8	+1.7	—
U.S. Dollar Acc.	97.5	102.7		—
Yen Acc.	94.3	99.3	-0.2	—
European Currency Acc.	96.3	101.4	-0.1	—
Distribution	146.0	153.7	-0.4	9.01

Sun Life Pensions Management Ltd
(funds for individual pension contracts)

Pens. Managed Acc.	320.6	337.5	+1.6	—
Pens. Property Acc.	164.0	172.7	+0.1	—
Pens. Equity Acc.	417.1	439.1	-1.2	—
Pens. F. Interest Acc.	178.6	188.0	+0.1	—
Pens. Ind. Lnkd. Acc.	107.8	113.5	+0.3	—
Pens. Cash Acc.	172.7	181.8		—
Pens. Amer. Equity Acc.	140.6	148.0	+2.8	—
Pens. U.S. Bonds Acc.	116.6	122.8		—
Pens. Japan Acc.	110.5	116.7	+1.5	—
Pens. Pacific Acc.	127.1	133.8	+0.5	—
Pens. Far Eastern Acc.	347.6	365.9	+2.5	—
Pens. Internat. Acc.	294.4	309.9	+4.0	—
Pens. U.S. Dollar Acc.	101.7	107.1	-0.4	—
Pens. Yen Acc.	96.9	102.0	-0.4	—
Pens. Euro. Curr. Acc.	96.6	101.7	-0.2	—

Swiss Life Pensions Ltd
99-101 London Rd, Sevenoaks. 0732-450161

Equity	£184.25	189.94		—
Fixed Int.	£134.54	138.21		—
Index Linked	£112.40	111.92		—
Property	£156.39	161.22		—
Cash	£121.59	121.59		—
Mixed	£168.26	173.36		—
International	£123.05	127.66		—

Next sub day Aug 28.

OFFSHORE AND OVERSEAS

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Fund NAV	$11.73		-0.02	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.59		+0.14	—

Inv. Adv.: M & G Inv. Mngt. Ltd, London.

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	$9.25		-0.05	—
Dynamic Gwth Fd	$8.29		-0.03	—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	11.55	—	—	3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	11.79	8.83	13.08	6mth
7-day Fnd	11.54	8.63	12.74	6mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	11.88	8.82	13.00	6-Mth
7-day Fund	11.87	8.57	12.61	6-Mth
Dollar	7.50	—	—	6-Mth
Money Mngt. Acct.	11.375	8.50	—	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq. Edinburgh, EH2 4DF 031-225 8484				
7ull Service Chq Acc.	11.25	8.00	11.93	Qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc.	11.375	8.50	12.70	Qtr
Mth. Int. Chq.	11.25	8.41	12.68	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc.	10.85	8.11	12.01	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	11.0	8.25	12.32	Qtr

NOTES

OPTIONS

3-month call rates

COMMODITIES AND AGRICULTURE

Bauxite company projects $27.8m loss in Surinam

BY CANUTE JAMES IN KINGSTON

BILLITON, a subsidiary of Royal Dutch Shell, has reported losses of $10.2m in the first six months of this year on its bauxite mining operations in Surinam. The company said this is $600,000 more than its losses in the corresponding period of last year.

Billiton said it was projecting a loss of $27.8m for this year, following a $21.3m loss last year.

Industry officials said the other bauxite company operating in the country, the Surinam Aluminium Company (Suralco), a wholly-owned subsidiary of the Aluminium Company of America, was also likely to report a loss this year.

Suralco reported a loss of $15m last year, following e $9m profit in 1983.

Billiton's statement of the company's financial performance was issued amid continuing tension in its mines. Three weeks ago the company's miners ended a work to rule protest et Billiton's failure to raise wages by 5 per cent this year.

Company officials said although the miners were working normally, the situation in the mines remained "unsettled."

The company said its operations had been affected by rising losses and a decline in prices for bauxite and aluminium.

Commander Desi Bouterse, Surinam's leader, said recently that a solution to the wage contract impasse was "at hand."

Surinam last year produced 3.3m tonnes of ore, 300,000 tonnes more than 1983. Earnings from exports of raw and refined bauxite, and aluminium, reached $283m last year, $5m more than in 1983.

Plan for software tool demonstration centre

PLANS FOR a software tool demonstration centre, to be based at the National Computing Centre in Manchester, early next year, were announced yesterday by Mr Geoffrey Pattie, Industry and Information Technology Minister.

Speaking at the eighth international conference on software engineering, at Imperial College, London, Mr Pattie said: "It has become evident that potential software users are not always fully aware of the relevance of the software tools, nor are they easily able to judge the balance of benefits to costs when deluged with the sometimes extravagant claims from tool vendors."

At the centre, he said, users could gain experience of tools on the market and receive impartial advice. It would form a natural focus for publicising the practical outputs from the Alvey and Esprit programmes, and would, he hoped, contribute significantly to the take up of software engineering in the UK.

Mr Pattia also spoke about the need for the software engineering industry to improve standards of quality, reliability and adaptability.

"Too much contemporary software is still unsatisfactory. It is still too often delivered late, it still too often costs more than expected. It sometimes fails to work in the way required, and it quite often consumes excessive resources on what is euphemistically called 'maintenance'."

Mr Pattie said the need to improve in these areas was the immediate challenge for software engineering.

Oversupply of copper forecast to continue

WEST BERLIN—World copper production looks set to rise by an annual average of 4 per cent from now until 1990, the DIW economic research institute said here.

It predicted that world copper mining capacity will rise by 1.1m tonnes to 11.4 m tonnes a year by 1990.

At the moment a corresponding rise in copper consumption does not look likely. Therefore, for the medium term the pressure of oversupply on the world copper market is likely to continue, it said in a report.

The imbalance between supply and demand needed urgent correction

Reuter

WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market. 99.6 per cent, $ per tonne, in warehouse, 2,800-2,865.

BISMUTH: European free market, min. 99.99 per cent, $ per lb, tonne lots in warehouse, 4.40-4.55.

CADMIUM: European free market, min. 99.95 per cent, $ per lb, in warehouse, ingots, 0.78-0.83, sticks, 0.83-0.88.

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse, 11.37-11.50.

MERCURY: European free market, min. 99.99 per cent, $ per flask, in warehouse, 288-295.

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 3.20-3.25.

SELENIUM: European free market, min. 99.5 per cent, $ per lb, in warehouse, 7.30-7.50.

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit WO_3, cif, 65-71.

VANADIUM: European free market, min. 98 per cent V_2O_5, other sources, $ per lb V_2O_5, cif, 2.15-2.25.

URANIUM: Nuexco exchange value, $ per lb U_3O_8, 15.75.

Importers up in arms over aflatoxin plan

John Buckley explains concern about the far reaching effects of an EEC move to prevent contamination of animal feed

UK GRAIN, feed and oilseed trade organisations are up in arms about an obscure but significant piece of legislation just voted through by the European Parliament.

The EEC directive in question, which seeks to control aflatoxin contamination in animal feedstuffs, is now on the last lap to becoming Community law.

If passed by the Council of Ministers in the autumn — and the chances of that are strong— it will permit random checks on feed raw material cargoes imported into the Community, replacing an original plan to monitor finished feedstuffs.

Traders are worried that the plan will disrupt commerce in feedgrains, oilseeds and products unrelated to animal feed, such as vegetable oils. They are mounting an all-out effort to stall or modify the legislation by lobbying their counterparts on the Continent, but time is running out.

Aflatoxin is a mould found in minute quantities in many vegetable products. In large doses it is a direct poison but of most importance are the links drawn between aflatoxin and liver cancer. The European Commission itself has for years been trying to ascertain a "safe" level for its occurrence in feeds and a practical way of enforcing that limit. In the interim, some member states, including the UK, have imposed bans on imports of "high aflatoxin-risk" feed ingredients — notably groundnut meal.

There are several issues at stake in this latest twist to the aflatoxin saga. On the one hand, there is considerable debate over what levels of contamination might prove hazardous. The libraries of food chemists and Euro MPs are "stuffed to the ceilings" with the conflicting results of research, says one expert. Many in the trade feel the Commission's level — three parts per million (ppm) — has been set too low, pointing out that possibly contaminated substances form but a small part of the feeds into which they are incorporated.

However, what has really disturbed the trade now is the mechanism the Commission has chosen, and its sudden decision to push through the necessary laws despite the serious misgiving of at least two consultative committees.

Officially, the Commission aims to "harmonise" the law between member states because, to date, the lack of Community-wide provision has led to proliferation of national legislation. In Holland, for example, aflatoxin limits are fixed at 0.4 ppm while in the UK they are as low as 0.05 ppm, but only applied to groundnut products (a de facto bar on imports in the UK's case).

Initially, the Commission decided to apply an aflatoxin ceiling to straight feeds and compounds. But it then encountered the problem of "home-mixers," farmers who buy their raw materials direct from importers and make up their own feeds.

With many member states having no rules governing purchase and use of feed ingredients by on-farm mixers the Commission assumed it would be impossible to carry out finished product inspections. Instead, it decided to go "upstream" to attack the root of the problem. But here arose the stumbling blocks.

Because aflatoxin does not appear evenly throughout a cargo, sampling would have to be increased as much as five fold to cover 25 per cent of the incoming shipment. The expense and delay would be enormous but the alternative would be risking the rejection of entire cargoes on the basis of what might be aflatoxin "pockets."

Then again, some Community members check product quality at ports while others do so in the interior. This, says the Commission's own consultative committee on agriculture, would make the law difficult to police, possibly leading to even "greater danger to human or animal health."

The agriculture committee also believes the directive's "point of entry" structure will "increase costs for the livestock sector, reduce freedom of choice and create uncertainty in the trade and probably anyway not achieve the desired objective."

Understandably, the Commission has given most weight, in reaching its decision, to the views of the committee on environment, public health and consumer protection which has come down heavily on the side of strict limits on raw materials rather than finished goods and on point of entry control.

However, as trade observers point out, laudable though that might be, it hardly begins to take account of the trade aspects of protecting the consumer.

Counter proposals have been rejected, for example to control contamination nearer still to source. For example, checks at origin would run the risk of the mould which might be present in safe quantities, say at point of groundnut meal production, flaring in the hold of a vessel to hazard levels by the time it reached destination. The same problem arises with placing the onus of testing on shippers who could find themselves producing cargoes thet the Commission might deem, "shell be put to no use whatsoever."

Just as contentious is the potential impact on the EEC's trade relations with suppliers. The U.S. has made it clear that point of entry controls (which could hit maize and soya) would be seen as yet another cleverly obfuscated EEC attempt to erect a non-tariff trade barrier, enabling it to cut imports of U.S. products without making trade or financial reparations under the GATT (General Agreement on Tariffs and Trade).

African, Caribbean and Pacific (ACP) nations are also annoyed at the Commission's unkept promise to consult them fully as suppliers who would be hit hardest and hit first by the raw material controls.

Currently, the UK looks out of step with its European partners over the directive but trade policy experts at FOSFA and GAFTA (the UK Grain and Feed Trade Association) are at pains to stress their opposition is on the grounds of practicality, not the prinicpal of aflatoxin control and that the right place for this is on the finished product.

UK trade attacks EEC grain proposals

BY OUR COMMODITIES EDITOR

BRITAIN'S GRAIN trade yesterday attacked the European Commission's latest proposals for reform of the Common Agricultural Policy, saying that they failed to recognise the urgency of the cereals surplus problem.

EEC farm ministers are due next month to take a first detailed look at the Commission's proposals on cereals, included in the "Perspectives" Green Paper which it published several weeks ago.

At a press conference yesterday, the UK Grain and Feed Trade Association (Gafta) welcomed the Commission's recognition that cereal production must be reduced, but said:

"The Commission has still failed to appreciate the gravity of the problem now facing the cereal market."

The most pressing need, said Mr Michael Johnston, Gafta's trade policy co-ordinator, was to cut prices so as to bring supply into line with demand. He conceded, however, that the EEC was unlikely to agree to sustained cuts of sufficient magnitude to reduce production over time, and that the Community was more likely to be forced into into taking "panic measures" like last year's dairy quotas.

Gafta said that without preventive ection, cereal stocks would contimue to grow from the present 22m to 23m tonnes to as much as 90m tonnes in 1991.

It also severely criticised alternative measures envisaged to tackle the grain mountain. Co-responsibility levies on producers to finance the cost of surplus disposal would merely lead to higher prices, higher production and possible disruption of world markets.

Production quotas were unfair and complex to administer and would lead to a freezing of existing patterns of production.

U.S. oil stocks fall further

By Nancy Dunne in Washington

U.S. STOCKS of most petroleum products dipped again last week as crude oil stocks dropped to 320m barrels, the American Petroleum Institute reported.

Crude stocks were down 6.5m barrels from the previous week and more than 26m barrels below last year at this time.

Distillate fuel oil stocks edged down during the week from 118m barels to 117.8m barrels

LONDON MARKETS

LONDON COFFEE futures prices moved down sharply yesterday, wiping out Tuesday's advance. The November position slipped to £1,678.50 a tonne at one stage before ending the day £24.50 lower at £1,683.50 a tonne.

Dealers said there was no fresh weather or fundamental news to affect the market and attributed the decline chiefly to sentiment and sterling's firmness against the dollar. They said New York's firm overnight tone appeared to have been ignored.

Cocoa futures also fell quite sharply during the day but recovered to end only modestly down. The December futures quotation slipped to a low of £1,755 but ended only £4 down at £1,764.50 a tonne. The fall, which followed e slightly firmer opening, reflected hedge selling against recent West African producer sales aided by jobber profit taking, dealers said.

ALUMINIUM

Official closing (am): Cash 723.5-4 (729-.5), three months 747-.5 (752-.5), settlement 724 (729.5). Final Kerb close: 748-9. Turnover: 9,950 tonnes.

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	724-5	-0	723.5/723
3 months	741.5-8	-0	753/748

COPPER

Higher grade	Unofficial close	+ or —	High/low
Cash	996-1	+2	998/992
3 months	1022.5-3	+0.25	1024/1017

Official closing (am): Cash 994-.5 (997-.5), three months 1,020.5-1 (1,023.5-4), settlement 994.5 (997.5). Final Kerb Close: 1,022.5-3.

Cathodes			
Cash	968-70	—	—
3 months	997.0	-1	946/996

Official closing (am): Cash 967-8 (970-1), three months 996-7 (998-9), settlement 968 (971). Turnover: 18,625 tonnes. U.S. Producer prices: 64.5-68 cents per pound.

LEAD

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	301-2	+0	301/301
3 months	302-.5	+1	304/301

Official closing (am): Cash 300.5-1 (302-5), three months 301.5-3 (302.5-3), settlement 301-302.5). Final Kerb close: 300-1. Turnover: 5,225 tonnes. U.S. Spot: 19 cents per pound.

NICKEL

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	3445-0	-34.5	—
3 months	3510-5	-31.5	3526/3500

Official closing (am): Cash 3,455-65 (3,455-60), three months 3,520-5 (3,515-6), settlement 3,465 (3,460). Final Kerb close: 3,510-20. Turnover: 886 tonnes.

ZINC

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	483-4	-11	481.5/481.5
3 months	487.5-8	-11.25	496/486

Official closing (am): Cash 491.5-2 (501-.5), three months 495-.5 (506-.5), settlement 492 (501.5). Final Kerb close: 489-90. Turnover: 8,675 tonnes. U.S. Prime Western: 41-41.75 cents per pound.

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

METALS	Aug 28 1985	+ or —	Month ago
Aluminium	£1100	.....	£1100
Free Mkt	$1055/075	.....	$1045/086
Copper			
Cash h Grade	£996.5	+2	£1056
3 mths	£1022.7	+0.25	£1054.75
Gold Troy oz	$340.00	+5.25	[illegible]
Lead Cash	£301.5	+2	£290
3 mths	£302.25	+1	£297
Nickel			
Free Mkt	220/240c	+0	228/246c
Palladium oz	$107.10	+3.35	$99.50
Platinum oz	$342.25	+10.25	$282.90
Quicksilver†	$290/300	.....	$285/305
Silver troy oz	456.15p	+3.95	443.65p
3 months	465.15p	+3.85	455.55p
Tin cash	£9085.5	-1	£9103.5
5 months	£9050.5	-1	£9060.5
Tungsten	$72.02	.....	$67.40
Wolfram 22.0lb	$65/70	.....	$54/58
Zinc	£483.5	-11	£524
5 months	£487.15	-11.25	£518.5
Producers	$830	.....	$830

OILS	Aug. 28 1985	+ or —	Month ago
Coconut (Phil)	$427.5x	+7.25	$535
Palm Malayan	$380y	-15	$445
SEEDS			
Copra Phil	$300wy	.....	$340
Soyabean (U.S.)	$214w	+1.5	$210.5
GRAINS			
Barley Fut. Nov.	£103.85	+0.75	£101.35
Maize	£133.40	.....	£136.00
Wheat Fut. Nov.	£103.00	+0.75	£101.55
No. 2 Hard Wint.	‡	.....	‡
OTHERS			
Cocoa Ft. Dec.	£1764.5	-4.0	£1657
Coffee Ft. Nov.	£1683.5	-24.5	£1884
Cotton A Index	66.05c	-0.25	69.65c
Gas Oil Oct.	$241.50	+0.75	$220.75
Rubber (kilo)	61.00p	.....	63p
Sugar (raw)	$125.8x	+5.6	$114.5
Wooltops 64s	426p kilo	.....	426 pkilo

‡ Unquoted. x Aug-Sept. w Sept. y Oct. † Per 76-lb flask. c Cents per pound.

TIN

High grade	Unofficial close(p.m.) £ per tonne	+ or —	High/low for day
Cash	9085-6	+2	—
3 months	9051-4	-5	—

Official closing (am): Cash 9,085-6 (9,085-6), three months 9,050-1 (9,050-2), settlement 9,086 (9,088).

Standard			
Cash	9085-6	-1	9088/9085
3 months	9050-1	-1	9051/9050

Official closing (am): Cash 9,085-6 (9,085-6), three months 9,050-1 (9,050-1), settlement 9,086 (9,088). Final Kerb close: 9,050-1. Turnover: 1,860 tonnes. Straits tin $m 30.75 (30.80) kilo.

GOLD

Gold continued to improve in the London bullion market yesterday, closing at $339¾-340¼, a rise of $5.25 from Tuesday's close. It opened at $338¼-338¾ and rose in reaction to the closure of South African financial markets, caused by a drain on the rand. The prospect of severe supply disruptions amid increased racial tension and a proposed mining strike saw gold touch a best level of $341¼-341¾.

GOLD BULLION (fine ounce) Aug. 28

Close	$339¾-340¼	(£241¼-242¾)
Opening	$338¼-338¾	(£242¼-243¾)
M'nl'g fix.	$339.30	(£242.565)
Aft'n'n fix	$340.90	(£242.461)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$344¼-346	(£245½-246)
½ Krug.	$180¼-180¾	(£128½-129)
¼ Krug.	$91¾-92¼	(£65¼-65¾)
1/10 Krup.	$37½-38	(£26¾-27)
Mapleleaf	$349¾-350¼	(£240½-250)
New Sov.	$80¼-80¾	(£57¼-57½)
½New Sov	$48¾-49¼	(£34¾-35)
Old Sov.	$81-82½	(£57¾-59)
$20 Eagle	$480-520	(£342½-371)
Noble Plat	$303-351	(£251-255)

SILVER

Silver was fixed 3.95p an ounce higher for spot delivery in the London bullion market yesterday at 456.15p. U.S. cent equivalents of the fixing levels were: spot 639.75c, up 9.4c; three-month 651.85c, up 9.35c; six-month 664.85c, up 9.6c; and 12-month 692.5c, up 10.05c. The metal opened at 455-458p (636-639c) and closed at 449½-452½p (631-634c).

SILVER per troy	Bullion Fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	456.15p	+3.95	451.50p	-1.25
3 months	465.15p	+3.85	464.50p	-1.00
6 months	480.85p	+4.10	—	—
12months	504.35p	+4.30	—	—

LME—Turnover: 19 (38) lots of 10,000 oz. Cash high/low 455, three months high 469, low 464, final kerb high 466, low 464.

FREIGHT FUTURES

A lack of constructive physical news undermined confidence on Biffex yesterday, with the market falling sharply over both sessions. October registered losses of 25 points from Tuesday with January falling 15 points from the previous close, reports Clarkson Wolff.

The Baltic Freight Index was 740.5, down 1 point.

	Close	High/Low	Prev
Oct.	832/834	848/831	854/858
Jan.	890/893	898/891	906/906
April	930/935	935/935	945/955
July	865/895	—	900/925
Oct.	960/1045	—	950/1040
Jan.	970/1040	—	970/1050
April	1000/1050	—	960/1060
July	940/1000	—	930/1020

Turnover: 202 (72) lots.

GRAINS

Both wheat and barley markets made good progress throughout the day with barley closing at contract highs. Both shipper and merchant buying was noted with mixed profit-taking providing a good trade, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Sept	100.50	+0.70	100.40	+0.80
Nov	103.00	+0.75	103.85	+0.75
Jan	106.50	+0.65	107.16	+0.90
Mar	109.75	+0.75	100.00	+0.55
May	113.20	+0.70	115.90	+0.50
July	115.70	+0.70	—	—

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 15 per cent: Sept 120.50, Oct 120, Nov 121, Dec 123.50, transhipment East Coast. U.S. No. 2 Red Winter: Sept 120.50, Oct 104.75, Nov 106.60, Dec 107.75, sellers. English Feed, fob: Sept 101, paid: Boston Spot 100, value: Sept 101, seller: Oct/Dec 104.50, bid: Jan/March 110.50, value: April/June 114.75, bid. Maize: U.S. No. 3 Yellow/French, transhipment East Coast: 1st-half Sept 136, 2nd-half Sept 131, Oct/Dec 129.50. Barley: English Feed, fob: Spot 98.75, seller: Sept 101, seller: Scotland 101, bid: English Oct/Dec 107.50, seller: Jan/March 112.25, bid. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed Wheat: Eastern 93.10, E. Midlands 98.20, N. East 95.50; Feed Barley: Eastern 93.80, E. Midlands 94.70, N. East 95.50, Scotland 96.80. The UK monetary coefficient for the week beginning Monday September 2 will remain unchanged.

Business done—Wheat: Sept 100.50-0.80, Nov 103.00-2.30, Jan 106.70-5.40, March 109.70-9.20, May 113.20-2.65. Sales: 163 lots of 100 tonnes. Barley: Sept 100.20-9.70, Nov 103.75-3.10, Jan 107.10-6.75, March 110.00-9.45, May 112.90-2.70. Sales: 138 lots of 100 tonnes.

RUBBER

PHYSICALS — The London market opened little changed, attracted no interest throughout the day and closed dull, reports Lewis and Peat. Closing prices (buyers) spot 61.00p (same). October 56.75p (57.00p), November 56.75p (57.00p). The Kuala Lumpur fob price for RSS No. 1 was 182.5 (183.5) cents a kg and for SMR 20 was 147.5 (148.0).

COTTON

LIVERPOOL — Spot and shipment sales amounted to 100 tonnes. Moderate trading developed with Pakistani growths in chief request.

INDICES

FINANCIAL TIMES

Aug. 27	Aug. 23	M'th ago	Year ago
251.13	250.97	259.06	294.99

(Base: July 1 1952 = 100)

REUTERS

Aug. 28	Aug. 27	M'th ago	Year ago
1686.0	1681.6	1681.0	1880.8

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Aug. 02	Aug. 01	Month ago	Year ago
Spot	115.17	115.42	—	130.69
Fut.	114.06	114.81	—	128.45

(Base: December 31 1974 = 100)

COCOA

Futures closed unchanged to £5 lower in an active trading session. Origins prominent and hedging selling was evident in the market. Manufacturers showed only little interest, reports Gill & Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
Sept.	1758-1763	-0.5	1758-1745
Dec.	1764-1765	-4.0	1772-1755
Mar.	1773-1774	-5.0	1785-1765
May	1787-1788	-3.5	1794-1781
July	1794-1795	-2.0	1805-1787
Sept.	1798-1799	-5.5	1806-1792
Dec.	1801-1802	-3.0	1801-1794

Sales: 4,207 (—) lots of 10 tonnes. ICCO indicator prices — (U.S. cents per pound.) Daily price for Aug 28: 107.45 (106.74); five-day average for Aug 29: 106.65 (106.00).

COFFEE

Trade selling of the September position and weaker dollar put prices under early pressure today, report Drexel, Burnham, Lambert. However, a lack of fundamental news and a poor volume enabled recent support levels to hold on the close as persistent short-covering emerged at the end of a quiet session.

COFFEE	Yesterday's Close	+ or —	Business Done
Sept.	1641-42	-22.2	1661-38
Nov.	1683-86	-24.5	1706-78
Jan.	1710-16	-30.0	1746-17
March	1738-39	-28.5	1761-37
May	1755-65	-25.5	1760-50
July	1775-85	-11.0	1779-70
Sept.	1800-20	+6.0	1810-10

Sales: 1,840 (1,921) lots of 5 tonnes. ICO Indicator prices (U.S. cents per pound) for Aug 27: Comp. daily 1979 121.78 (121.31): 15-day average 120.30 (120.06).

SUGAR

LONDON DAILY PRICE — Raw sugar $125.80 (£89.00), up $2.00 (up £0.50) a tonne for Aug-Sept delivery. White sugar $161.50, (up $2.00).

Better sentiment helped raw sugar prices gain up to $3.80 in generally quiet conditions, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Oct	129.8-130.8	123.8-124.0	130.0-125.8
Dec	133.8-134.0	127.8-127.8	131.9-129.2
Mar	140.8-140.2	135.8-135.5	140.4-135.8
May	143.8-144.8	138.2-139.4	143.0-139.0
Aug	146.8-148.8	145.4-144.8	—
Oct	153.2-154.0	149.0-149.8	—

Sales: 3,414 (2,657) lots of 50 tonnes.

Tate & Lyle delivery prices for granulated basis sugar was £194.00 (£192.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for Aug 27: Daily price 4.52 (4.38); 15-day average 4.27 (same).

SOYABEAN MEAL

The London market opened 50p higher in thin trading, reports T. G. Roddick. Prices remained in narrow rangers throughout the day to close the market around opening levels.

	Yesterday close £ per tonne	+ or —	Business Done
October	112.7-112.8	+0.80	110.8-112.4
Dec	115.9-116.0	+0.85	115.5-115.5
Feb	120.0-120.2	+0.85	120.0-119.5
Apr	120.8-121.0	+0.65	120.7-120.5
June	122.5-122.4	+0.25	122.1-121.5
August	122.5-125.2	+0.50	—
October	125.0-125.5	+0.25	—

Sales: 486 (209) lots of 20 tonnes.

OIL

No trades were reported in prompt cargoes of crude. In the forward market Brent traded firmly during the morning but buyers withdrew during the afternoon. Nymex opened 5 cents up for October but traded mainly on the downside during the morning. In the petroleum products market gas oil and naptha firmed on steady demand but heavy fuels drifted downwards despite recent strength in the U.S., Petroleum Argus, London.

SPOT PRICES — Chicago loose lard 16.50 (17.00) cents per pound. New York tin 584.0-588.0 (584.0-587.0) cents per pound. Handy and Harman silver bullion 634.50 (630.50) cents per troy ounce.

SPOT PRICES

CRUDE OIL—FOB ($ per barrel)—Sept.	Latest	Change + or —
Arab Light	27.60-27.70	—
Arab Heavy	25.40-25.50	—
Dubai	26.85-26.95*	—
Brent Blend	27.80-27.95	—
W.T.I. (1pm est)	28.05-28.15*	-0.15
Forcados (Nigeria)	—	—
Urals (cif NWE)	26.60-26.90	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	267-269	—
Gas Oil	248-250	+1.5
Heavy fuel oil	141-143	[illegible]
Naphtha	255-257	+2.5

* October.

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or —	Business Done
Sep	245.15	+1.35	246.50-40.75
Oct	241.50	+0.75	244.75-41.00
Nov	238.25		242.25-39.25
Dec	240.00	+0.75	241.50-40.50
Jan	239.00	—	240.50-39.00
Feb	233.00	-3.50	—

Turnover: 2,878 (4,111) lots of 100 tonnes.

POTATOES

The market recovered slightly after yesterday's fall and trading was normal with most volume in the £79.50-80.50 range. With the close near the highs tomorrow's levels are uncertain with the weather continuing to be the dominating factor, reports Coley and Harper.

Month	Yesterday's close £ per tonne	Previous close	Business Done
Nov	58.50	56.80	59.00-58.00
Feb	56.50	66.00	
Apr	80.50	77.80	80.30-78.00
May	85.70	83.00	86.00-85.50

Sales: 573 (949) lots of 40 tonnes.

PIGMEAT

Twenty February call options at a four pence premium helped to boost today's total in an otherwise quiet market, reports CCST Commodities.

Month	Yesterdays close p. per kilo (deadweight)	Previous close	Business done
Oct	111.30	111.00	111.3-111.2
Nov	113.30	112.00	112.5-112.0
Feb	101.30	101.30	101.5-101.2
April	102.00	101.90	102.0-102.5
June	101.70	101.60	—
Aug	101.50	101.50	101.5-101.5

Sales: 41 (47) lots of 50 carcases, 3,250 kgs.

U.S. MARKETS

GOLD and platinum continued to attract good buying interest based on continued tension in South Africa and the threat of a mineworkers' strike Monday, reports Heinold Commodities. Copper rose sharply on shortcovering in anticipation of a seasonal pickup in consumption along with lower scrap availability. ...Aluminium steadied on a lack of speculative participation. Sugar firmed reflecting active bedding at the EEC selling tender along with reports of interest by India for white sugar. Cocoa gained ground on continued concerns over Nigerian shipments along with rumoured defaults by a Brazilian shipper. Coffee maintained a light range on the reserved buying posture by dealers. Cotton attracted light support from forecasts of a hurricane approaching the cotton growing areas over the next few days. Heating oil traded nominally higher as industry stocks continue to be tight. Grains and soyabeans sold off again as near-ideal crop conditions prevail. The forecast of hot and dry weather this week increases the probability of an early harvest to which the markets reacted negatively.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Sept	44.45	44.55	44.35	44.60
Oct	44.90	—	—	44.90
Dec	45.70	45.80	45.60	45.70
Jan	46.10	—	—	46.10
March	46.80	46.85	46.80	46.85
May	47.80	—	—	47.80
July	48.30	—	—	48.30
Sept	48.80	—	—	48.80
Jan	50.40	—	—	50.40

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Sept	2180	2191	2175	2174
Dec	2260	2264	2242	2242
March	2292	2296	2278	2273
May	2314	2316	2300	2289
July	2339	2340	2340	2321
Sept	2355	—	—	2331
Dec	2365	2355	2340	2339

COFFEE "C" 37,000 lb: cents/lb

	Close	High	Low	Prev
Sept	137.35	137.75	136.60	137.45
Dec	140.76	140.70	139.65	140.41
March	141.39	141.75	140.95	141.52
May	141.80	142.10	141.75	142.13
July	141.76	142.65	142.30	142.18
Sept	142.23	—	—	142.55
Dec	142.00	—	—	143.32

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
August	58.95	—	—	58.80
Sept	60.00	60.00	59.15	58.85
Oct	60.45	—	—	59.30
Dec	61.35	61.40	60.50	60.20
Jan	61.70	—	—	60.55
March	62.40	62.35	61.55	61.20
May	62.85	62.30	62.15	61.70
July	63.30	—	—	62.20
Sept	63.80	63.95	63.10	62.70
Dec	64.60	64.00	64.00	63.60

COTTON 50,000 lb; cents/lb

	Close	High	Low	Prev
Oct	58.20	58.47	58.01	58.00
Dec	58.43	58.80	58.30	58.38
March	59.62	60.00	59.30	59.63
May	60.12	60.12	59.91	59.95
July	59.82	60.10	59.78	59.68
Oct	55.16	55.20	55.00	54.90
Dec	—	54.30	54.05	53.95

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Close	High	Low	Prev
Oct	28.08	28.21	27.86	28.08
Nov	27.76	27.83	27.52	27.72
Dec	27.46	27.58	27.24	27.47
Jan	27.20	27.32	27.04	27.24
Feb	27.03	27.09	26.86	27.03
March	26.85	26.91	26.53	26.82
April	26.66	26.72	26.50	26.61
May	26.32	26.55	25.25	26.40
June	26.26	26.28	26.16	26.19

GOLD 100 troy oz: $/troy oz

	Close	High	Low	Prev
Aug	340.4	341.5	339.3	337.1
Sept	340.7	—	—	337.5
Oct	342.8	344.2	341.4	339.5
Dec	347.3	348.9	346.3	344.0
Feb	351.8	353.2	351.2	348.4
April	356.4	357.5	355.4	352.9
June	361.4	361.5	360.5	357.8
August	365.4	363.0	365.5	362.8
Oct	371.5	371.0	370.3	367.9
Dec	376.7	377.0	375.5	373.1
Feb	382.2	383.3	383.3	378.5
April	387.8	—	—	384.1
June	393.7	394.5	393.6	390.0

HEATING OIL 42,000 U.S. gallons: cents/U.S. gallons

	Close	High	Low	Prev
Sept	76.86	75.70	75.80	76.10
Oct	77.45	77.50	76.40	76.92
Nov	78.15	78.20	77.20	77.60
Dec	78.40	78.00	77.80	78.01
Jan	78.80	78.80	77.85	78.26
Feb	77.90	78.10	77.40	77.70
March	74.70	75.00	74.79	74.60
April	72.25	—	—	72.35
May	71.30	72.00	71.30	71.75

ORANGE JUICE 15,000 lb; cents/lb

	Close	High	Low	Prev
Sept	134.15	134.45	134.00	134.50
Nov	129.75	130.00	129.30	129.60
Jan	125.95	126.20	125.40	125.60
March	124.50	125.00	124.15	124.50
May	123.70	—	—	123.50
July	123.75	123.70	123.10	123.60

PLATINUM 50 troy oz: $/troy oz

	Close	High	Low	Prev
Sept	345.1	347.0	340.0	284.0
Oct	346.1	346.5	341.6	335.1
Jan	345.1	350.0	343.0	340.3
April	351.1	353.5	347.0	343.8
July	354.1	354.0	351.5	347.2
Oct	358.9	358.0	358.0	352.2

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
August	632.5	—	—	634.0
Sept	632.5	641.0	631.5	634.5
Oct	636.9	—	—	638.9
Dec	645.6	653.5	644.5	647.5
Jan	650.4	—	—	652.3
March	658.9	667.0	659.0	660.3
May	660.0	674.0	673.0	670.0
July	677.9	685.0	680.0	680.0
Sept	688.2	692.0	691.0	690.4
Dec	704.0	708.0	708.0	706.3

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Sept	4.75	4.75	4.48	4.49
Oct	4.90	4.90	4.62	4.56
Jan	4.98	4.65	4.90	4.69
March	5.24	5.25	4.99	4.98
May	5.36	5.38	5.15	5.11
July	5.52	5.54	5.30	5.28
Sept	5.68	5.60	5.50	5.50
Oct	5.82	5.83	5.65	5.61

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	56.75	56.45	55.66	56.56
Dec	58.32	58.92	58.30	59.15
Feb	57.80	58.35	57.85	58.50
April	58.82	59.20	58.55	58.37
June	59.80	60.10	59.40	60.40
Aug	58.60	59.00	58.50	59.20

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Oct	36.35	37.12	36.25	37.20
Dec	38.95	39.65	38.80	39.82
Feb	40.20	41.10	40.10	41.20
April	37.37	38.00	37.30	38.12
June	40.62	41.25	40.60	40.95
July	41.37	41.87	41.05	41.45
Aug	40.75	41.20	40.65	40.65
Oct	38.85	38.95	38.85	38.90
Dec	40.67	40.87	40.65	40.70

MAIZE 5,000 bu min, cents/56 lb-bushel

	Close	High	Low	Prev
Sept	227.0	228.6	227.0	229.2
Dec	217.2	219.4	217.2	218.6
March	226.2	229.2	226.6	228.5
May	232.6	235.0	231.4	236.0
July	233.6	237.4	233.6	237.2
Sept	226.6	226.6	224.4	226.4
Dec	221.2	22.6	220.2	222.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	58.45	59.40	57.90	58.97
March	58.30	59.25	57.75	58.75
May	59.65	60.56	59.10	60.90
July	59.85	60.40	59.20	59.80
Aug	57.60	59.65	57.56	58.20

SOYABEANS 5,000 bu min, cents/60 lb-bushel

	Close	High	Low	Prev
Sept	512.0	516.4	510.2	512.8
Nov	508.2	512.4	506.0	509.5
Jan	517.0	521.5	515.2	518.6
March	527.5	531.4	525.4	528.6
May	535.5	540.2	534.0	537.2
July	539.2	544.4	538.4	541.0
Aug	—	—	—	518.0
Sept	535.0	—	—	536.0
Nov	535.6	538.0	533.4	536.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Sept	124.1	124.2	122.7	123.4
Oct	124.8	126.1	123.7	124.6
Dec	128.2	129.0	127.4	128.2
Jan	129.5	131.0	129.6	129.7
March	132.3	133.0	132.0	132.0
May	134.5	135.	134.0	135.1
July	137.9	138.0	136.7	138.0
Aug	—	—	—	121.5
Sept	138.0	138.0	138.0	138.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Sept	22.27	22.85	22.15	22.78
Oct	21.98	22.56	21.95	22.60
Dec	21.96	22.42	21.95	22.37
Jan	22.08	22.50	22.00	22.48
March	22.35	22.76	22.25	22.48
May	22.52	22.00	22.50	22.71
July	22.80	23.06	22.80	22.90
Aug	—	—	—	22.87
Sept	22.60	—	—	22.55
Oct	22.60	—	—	22.65

WHEAT 5,000 bu min: cents/60lb-bushel

	Close	High	Low	Prev
Sept	269.2	274.4	269.0	274.0
Dec	289.0	287.5	283.0	286.6
March	289.5	294.0	289.6	289.0
May	287.4	290.4	287.4	290.0
July	266.0	289.0	286.0	288.0
Sept	269.4	272.2	269.4	271.6

OTHER MARKETS

MEAT

MEAT COMMISSION — Average latstock prices at representative markets: GB Cattle 95.53p per kg lw (+0.97); GB Sheep 146.45p per kg est dcw (−1.53); GB Pigs 79.16p per kg lw (+2.61).

33—SMITHFIELD P26 — — —

SMITHFIELD MEAT—Pence per pound. Beef: Scotch Killed Sides 76.0 to 81.0; English Forequarters 58.0 to 60.0; Ulster Hindquarters 82.0 to 88.0. Veal: Dutch Hinds and Ends 137.0 to 142.0. Lamb: English Small 68.0 to 72.0; Medium 64.0 to 70.0; Heavy 62.0 to 64.0; Scotch Heavy 61.0 to 63.0; Imported: New Zealand PL 60.0 to 61.5, PX 60.0 to 61.5. Pork: English under 100 lb 46.0 to 57.5; 100-120 lb 52.0 to 58.0; 120-160 lb 46.0 to 50.0.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 611.0, 615.0, nil; Dec 615.0, 621.0, 617.0-617.0; March 623.0, 627.6, nil; May 633.0, 638.0, 634.0-634.0; July 635.0, 638.0, nil; Oct 622.0, 634.0, nil; Dec 625.0, 640.0, nil; March 638.0, 647.0, nil. Sales: 7.

PARIS

Cocoa—(FFr per 100 kg). Sept 2055-2065; Dec 2066-2070; March 2080-2090; May 2090, bid; July 2100, bid; Sept 2110, bid; Dec 2110, bid.

Sugar—(FFr per 100 kg). Oct 1370-1375; Dec 1373-1384; March 1392-1395; May 1411-1420; Aug 1450-1460; Oct 1495-1525.

ROTTERDAM

WHEAT—(U.S. $ per tonne) U.S. No. 2 Red Winter: Spot 130, Sept 124, Oct 129, Nov 131. U.S. Northern Spring, 14 per cent protein: Sept 148, Oct 148, Nov 152.50, Dec 158.50. U.S. Northern Spring, 15 per cent protein: Sept 164, Oct 165, Nov 167.50, Dec 170. U.S. No. 3 Hard Amber Durum: Aug 163, Sept 162, Oct 162, Nov 165, Nov 15/Dec 169, April/May 169.50, June 169.50. Canadian Western Red Spring, 13.5 per cent: Sept 155, Sept 20/Oct 10 157, Oct 160, Nov 162.

MAIZE—(U.S. $ per tonne) U.S. No. 3 Yellow: Afloat 118, Sept 118, Oct 110, Oct/Dec 110, Jan/March 113, April/June 116. Argentine, Plate: Sept 125, Oct 123, March 110, April/June 109.

girl—mole, perhaps (9)

London NW11.

The Baron. 6.30 News. 6.40 Appeal. 6.45 Mary O'Hara and Friends. 7.15

1.20 Farming Outlook. 2.30 Film: "Botany Bay," starring James Mason

Scotsport. 5.00 Wild Heritage. 5.30 Chips. 11.45 Reflections. 11.50 Golf

Hart. 11.45 That's Hollywood. 12.15 am Company.

Presents Two's Best (6).

Shipping Forecast.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar eases in quiet trading

The dollar finished below Tuesday's closing levels in London yesterday, falling back after it had failed to breach the DM 2.79 level against the dollar. Once again therefore the dollar's recent support and resistance levels remained intact and in the absence of any fresh economic data to stir up the market, the U.S. unit lacked sufficient impetus to break out from its recent trading range.

The spy scandal in West Germany and problems in South Africa failed to prompt much movement. Dealers were expecting a good deal of activity on Friday, however, with the last trading day of the month coinciding with the release of leading economic indicators and U.S. trade figures.

The dollar closed at DM 2.7710 from DM 2.7890 and SwFr 2.2670 compared with SwFr 2.2865. Against the yen it eased to Y236.90 from Y237.35 and FFr 8.4525 from FFr 8.5150. On Bank of England figures, the dollar's index fell from 136.8 to 136.4.

The South African rand was quoted anywhere between 35 and 50 U.S. cents in London yesterday following the suspension of foreign exchange dealings in South Africa. Trading conditions were extremely nervous with banks obviously reluctant to quote a buying price before obtaining some indication on how the South African Government would stem the recent sharp outflow of funds.

STERLING — Trading range against the dollar in 1985 is 1.4290 to 1.0525. July average 1.3783. Exchange rate index 82.5 up from an opening level of 82.2 and Tuesday's close of 82.1. The six months ago figure was 71.3.

Sterling benefited from the dollar's weaker trend although there was little else of interest to affect the pound. It closed at $1.4015-1.4025, a rise of 85 points from Tuesday and DM 3.8825 from DM 3.88. Against the yen it improved to Y332.25 from Y330 and FFr 11.86 compared with FFr 11.8475. It was slightly weaker against the Swiss franc at SwFr 3.1750 from SwFr 3.1825.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.7425. July average 2.9134. Exchange rate index 126.7 against 118.5 six months ago.

The dollar was fixed at DM 2.7683 at yesterday's fixing in Frankfurt, down from DM 2.7770 on Tuesday and there was no intervention by the Bundesbank. There were no new factors to affect trading and the dollar eased back having failed to break through DM 2.79 on Tuesday. The recent spy scandal apparently limited the D-Mark's upward potential although trading tended to be on the quiet side.

STERLING INDEX

	Aug 28	Previous
8.30 am	82.2	81.9
9.00 am	82.3	82.0
10.00 am	82.2	82.0
11.00 am	82.4	82.0
Noon	82.4	82.1
1.00 pm	82.5	82.1
2.00 pm	82.3	82.2
3.00 pm	82.5	82.1
4.00 pm	82.5	82.1

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu August 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.8320	45.0896	+0.57	+0.91	±1.5425
Danish Krone	8.12857	8.10133	−0.34	—	±1.6421
German D-mark	2.23840	2.22613	−0.55	−0.21	±1.1455
French Franc	6.86402	6.79742	−0.97	−0.63	±1.3654
Dutch Guilder	2.52208	2.50685	−0.60	−0.26	±1.5162
Irish Punt	0.724578	0.715006	−1.32	−0.98	±1.6673
Italian Lire	1520.00	1495.86	−1.62	−1.62	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

	Aug. 28	Prev. close
£ Spot	$1.4020-1.4030	$1.3880-1.3890
1 month	0.47-0.45 pm	0.48-0.47pm
3 months	1.25-1.01 pm	1.23-1.20pm
12 months	3.00-2.90 pm	3.00-2.90pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

August 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3930-1.4075	1.4015-1.4025	0.47-0.44c pm	3.89	1.23-1.18pm	3.44
Canada	1.9016-1.9128	1.9082-1.9110	0.50-0.41c pm	2.86	1.22-1.07pm	2.40
Nethlnd.	4.35¾-4.38	4.36¾-4.37¾	2⅛-2⅛c pm	6.17	6⅞-6pm	5.86
Belgium	78.47-78.90	78.55-78.65	21-14c pm	2.67	45-31pm	1.83
Denmark	14.09½-14.17	14.11-14.12	4⅛-3⅛ore pm	3.00	9⅛-8⅛pm	2.46
Ireland	1.2446-1.2500	1.2484-1.2494	0.26-0.11c pm	1.78	0.60-0.33pm	1.49
W. Ger.	3.87¾-3.89	3.87¾-3.88½	2½-2¼pf pm	7.35	6⅞-6½pm	6.89
Portugal	230½-234¼	230¾-233¾	60-420c dis	−12.41	420-1485dis	−16.42
Spain	228¾-229	228¾-229	10-105c dis	−3.01	75-300dis	−3.28
Italy	2,590-2,616	2,610-2,611	3 pm-3 lire dis	−0.00	6-13dis	−0.17
Norway	11.46½-11.51	11.47¾-11.48¾	½-¾ore dis	−5.46	2½-3¾dis	−1.00
France	11.82¾-11.88¾	11.85½-11.86½	2⅛-1⅛c pm	1.83	2⅛-⅞pm	0.51
Sweden	11.56½-11.60¾	11.58¾-11.58¾	3-3½ore dis	−3.37	9¾-8⅞dis	−3.30
Japan	330½-332¾	331¼-332¼	1⅛-1⅛y pm	0.00	4⅛-4⅛pm	0.05
Austria	27.24-27.39	27.36-27.39	16-14⅞gro pm	0.07	42½-35¼pm	0.06
Switz.	3.17-3.18½	3.17-3.18	2⅛-1⅞c pm	7.56	5⅞-5⅝pm	0.69

Belgian rate is for convertible francs. Financial franc 79.40-79.50. Six-month forward dollar 2.00-1.95c pm. 12-month 3.05-2.90c pm.
Correction: Closing rates for August 27 were: Nethlnd. 4.36-4.37, yen 329½-330½, D-mark 3.87½-3.88½. Switz. 3.17¾-3.18¾. franc 11.84¾-11.85¾.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

August 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3930-1.4075	1.4015-1.4025	0.47-0.44c pm	3.89	1.23-1.18pm	3.44
Ireland†	1.1208-1.1268	1.1228-1.1238	0.25-0.15c pm	2.13	0.65-0.45pm	1.95
Canada	1.3600-1.3615	1.3607-1.3617	0.10-0.13c dis	−0.34	0.33-0.38dis	−1.04
Nethlnd.	3.1100-3.1290	3.1180-3.1190	0.59-0.56c pm	2.21	1.77-1.74pm	2.25
Belgium	55.97-56.31	56.00-56.10	6-8c dis	−1.49	23-28dis	−1.74
Denmark	10.04¾-10.21	10.07½-10.08	0-½ore dis	−0.30	½-1dis	−0.30
W. Ger.	2.7615-2.7825	2.7706-2.7716	0.83-0.78pf pm	3.49	2.44-2.39pm	3.49
Portugal	165-167¾	166-167	100-350c dis	−10.12	450-1200dis	−19.70
Spain	162.55-163.50	162.80-162.95	70-115c dis	−5.81	250-450dis	−8.59
Italy	1,855½-1,864½	1,861½-1,862½	5-7 lire dis	−8.09	23-25dis	−11.19
Norway	8.17¾-8.21¾	8.18¾-8.19¼	2¾-3¾ore dis	−4.40	8¾-9¾dis	−4.40
France	8.43½-8.49	8.45-8.45½	1.25-1.45c dis	−1.92	5.80-6.30dis	−2.86
Sweden	8.26½-8.28½	8.25¾-8.26¾	5-5¾ore dis	−7.49	13¾-14¾dis	−6.78
Japan	236.60-237.00	236.85-236.95	0.38-0.32y pm	1.77	1.05-0.95pm	1.69
Austria	19.41½-19.54½	19.46-19.47	4⅛-4gro pm	2.70	14-11½pm	2.62
Switz.	2.2580-2.2780	2.2665-2.2675	0.70-0.64c pm	3.55	1.90-1.84pm	3.30

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.60-56.70.

OTHER CURRENCIES

Aug. 28	£	$		£ Note Rates
Argentina Austl.	1.1015-1.1236	0.8000-0.8010	Austria	27.20-27.50
Australia Dollar	1.9896-1.9966	1.4204-1.4224	Belgium	79.15-80.00
Brazil Cruzeiro	0.671-0.706	6,900-6,920	Denmark	14.07-14.21
Finland Markka	8.2742-8.2942	5.9910-5.9030	France	11.83-11.95
Greek Drachma	182.62-186.59	130.63-166.37	Germany	3.87-3.91
Hongkong Dollar	10.9454-10.9602	7.8005-7.8025	Italy	2585-2630
Iran Rial	123.00*	88.76*	Japan	332-336
Kuwait Dinar (KD)	0.4242-0.4246	0.30210-0.30250	Netherlands	4.36-4.40
Luxembourg Fr	78.55-78.65	56.00-56.10	Norway	11.45-11.56
Malaysia Ringgit	3.4650-3.4760	2.4685-2.4705	Portugal	225-241
New Zealand Dlr.	2.8175-2.8250	1.8621-1.8720	Spain	221-231
Saudi Arab. Riyal	5.1285-6.1335	3.6515-3.6525	Sweden	11.55-11.66
Singapore Dollar	3.1560-3.1660	2.2480-2.2500	Switzerland	3.17-3.21
Sth African Rand	—	—	United States	1.39½-1.41½
U.A.E. Dirham	5.1170-5.1065	3.6720-3.6730	Yugoslavia	355-375

* Selling rate.

CURRENCY MOVEMENTS

Aug. 28	Bank of England Index	Morgan Guaranty Change %
Sterling	82.5	−7.9
U.S. dollar	136.4	+23.6
Canadian dollar	85.8	−7.6
Austrian schilling	117.6	+4.7
Belgian franc	91.4	−10.4
Danish Kroner	80.8	−6.0
Deutsche mark	126.7	+8.8
Swiss franc	150.1	+10.8
Guilder	116.8	+4.7
French franc	67.7	−13.6
Lira	44.6	−30.1
Yen	167.0	+13.5

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Aug. 28	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.758987	0.873329
U.S. $	7½	1.03702	0.804381
Canadian $	0.20	**	1.09492
Austria Sch.	4	20.1616	15.6452
Belgian Fr.	10	58.1561	45.0898
Danish Kr	7	10.4666	6.10133
D mark	4	2.87078	2.22816
Guilder	5	3.23221	2.50680
French Fr.	9½	8.56645	6.79742
Lira	15½	1929.32	1495.26
Yen	5	245.929	190.477
Norway Kr.	8	8.58393	6.58656
Span'h Pta.	—	168.728	130.889
Swedish Kr.	10½	8.58393	6.64137
Swiss Fr.	4	2.35116	1.82168
Greek Dr'ch	20½	136.555	106.985
Irish Punt	16½	0.921796	0.715006

** C$/SDR rate for August 27: 1.40982.

EXCHANGE CROSS RATES

Aug. 28	Pound St'ling	U.S. Dollar	Deutschemk.	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.408	3.883	330.3	11.86	3.175	4.375	2611.	1.909	78.60
U.S. Dollar	0.716	1.	2.759	237.0	8.459	2.265	3.119	1862	1.361	56.06
Deutschemark	0.258	0.361	1.	85.58	3.055	0.818	1.108	672.4	0.492	20.24
Japanese Yen 1,000	3.010	4.220	11.69	1000.	35.70	9.556	13.18	7857.	5.744	236.6
French Franc 10	0.843	1.182	3.274	280.1	10.	2.677	3.687	2201.	1.609	66.27
Swiss Franc	0.315	0.442	1.223	104.6	3.735	1.	1.377	822.2	0.601	24.76
Dutch Guilder	0.229	0.321	0.888	75.99	2.712	0.725	1.	597.0	0.436	17.96
Italian Lira 1,000	0.383	0.537	1.487	127.6	4.543	1.216	1.675	1000.	0.731	30.11
Canadian Dollar	0.524	0.735	2.034	174.1	6.214	1.664	2.291	1368.	1.	41.18
Belgian Franc 100	1.272	1.784	4.940	422.7	15.09	4.039	5.563	3321.	2.428	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Aug. 28	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	12-12⅛	8¼-8⅜	8⅜-8⅞	6⅛-6⅛	1¼-1¾	4⅝-4⅞	9⅛-9⅝	7-10	8¼-8⅛	8¼-8½	6⅛-6¼	8⅛-8⅝
7 days' notice	12-12⅛	8-8⅛	8⅝-8⅞	5⅛-5⅛	11⅛-11¾	4⅜-4¾	9⅝-9¾	6-8	8¼-9	8⅝-8⅞	6⅛-6⅛	8¾-8¼
Month	11⅞-11⅛	7⅛-7⅛	8⅛-8⅛	5⅛-5⅛	4½-4⅝	4½-4⅝	9½-9⅝	11¼-12¼	8⅛-8⅜	9-9⅛	6⅜-6⅛	8¾-9¼
Three months	11⅝-11¾	7⅛-8⅛	8⅞-9⅛	5⅛-5⅛	4⅜-4¾	4½-4⅝	10⅛-10⅛	12¼-15	9⅛-9¼	9⅜-9½	6⅜-6⅛	8⅛-8⅛
Six months	11¼-11⅜	8⅛-8¼	9⅛-9⅞	5⅛-6⅛	4¾-4⅞	4⅝-4¾	11¼-11½	12¾-16½	9⅝-9⅞	9⅝-9¾	6⅛-6⅜	8¾-8¼
One year	11-11⅛	8½-8⅝	9⅛-9⅛	6⅝-6¾	4⅛-4⅛	4⅛-4⅛	11⅝-11⅞	13⅝-14¼	8⅛-10⅛	9¾-9⅞	6¼-6⅜	9⅛-9⅝

Asian $ (closing rates in Singapore): Short-term 8⅛-8¼ per cent; seven days 8-8⅛ per cent; one month 7⅞-8⅛ per cent; three months 8-8⅛ per cent; six months 8⅛-8⅜ per cent; one year 8½-8⅝ per cent. Long-term Eurodollars: two years 9⅛-9⅝ per cent; three years 10-10⅛ per cent; four years 10⅜-10½ per cent; five years 10½-10⅝ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

Bank has not changed tack

The Bank of England provided the first repurchase agreement on bills to the discount houses since August 5, after a period of severe squeeze on short term liquidity in the London money market. This has driven overnight money rates to over 12 per cent, and left three-month interbank indicating a rise of ½ per cent to 11⅞ per cent in clearing bank base rates.

The action of the authorities yesterday was not regarded as a change of policy however, but a move dictated by the shortage of paper held by the houses. The long repurchase agreement, running until September 26, was not particularly attractive, and coupled with a roll over of the temporary facility to banks at a fixed rate from September 3 to October 7, did not appear to herald any early downward move in interest rates.

In very steady trading three-month interbank rose to 11⅜-11½ per cent from 11⅜-11⅞ per cent, while discount houses buying rates for three-month bank bills were unchanged at 11⅜-11½ per cent.

The Bank of England forecast a money market shortage of £1,000m in the morning, but changed this to £950m in the afternoon, and provided total help of £950m.

Before lunch the central bank bought £209m bills outright, by way of £117m bank bills in band 2 (15-33 days maturity) at 11⅞ per cent; £69m bank bills in band 3 (34-63 days) at 11½ per cent; and £23m bank bills in band 4 (64-91 days) at 11⅞ per cent.

In the afternoon another £329m bills were purchased outright, through £7m bank bills in band 1 (up to 14 days) at 11⅞ per cent; £105m bank bills on band 2 at 11⅞ per cent; £38m Treasury bills in band 3; £48m local authority bills in band 3; and £108m bank bills in band 3 at 11½ per cent; and £23m bank bills in band 4 at 11⅞ per cent.

Another £247m bills were bought for resale to the market on September 26 at 11⅜-11⅞ per cent.

Late assistance of £165m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £803m, with Exchequer transactions absorbing £140m; a rise in the note circulation £20m; and bank balances below target another £50m.

UK clearing banks base-lending rate 11½ per cent since July 30.

MONEY RATES

Aug. 28	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	4.80-5.00	9⅝	10½-10	5⅝-5¾	6.21875	14⅜-14⅞	6.80	11¼-11½
One Month	4.60-4.65	9⅛-9⅛	4½-4⅝	5¾-5⅛	6.40625	14½-14⅞	9-9¼	10⅝-10⅞
Two Months	4.50-4.65	9⅝-9¾	—	—	—	—	—	10½-10⅝
Three Months	4.50-4.65	9⅛-9⅛	4⅛-4⅛	5⅛-5⅛	6.54375	14⅜-14¾	9⅜-9⅝	10⅜-10⅝
Six Months	4.55-4.70	9⅛-9⅛	—	5⅛-5¾	—	—	9⅜-9⅞	10¼-10½
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	9⅝	—	—	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Aug. 28 1985	Sterling Certificate of deposit	Interbank	Local Authority Deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	10½-12⅝	10	12-12¼	10½-12⅞	—	—	—	—	—
2 days notice	—	—	10	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12-12¼	11⅞-10	12-12¼	11¾-11⅞	—	—	—	—	—
One month	11⅛-11⅛	11⅞-12	11⅞	11⅛-12	11½	11⅞	11⅞	11⅜-11½	11⅞-11⅜	12⅛
Two months	11¾-11⅝	11¾-11⅞	11¾	11⅛-11⅞	11¼	11¼	11⅛	11⅜-11⅞	11⅜-11¼	11⅛
Three months	11⅝-11⅜	11⅝-11¾	11⅝	11⅛-11¾	11	11	10⅛	11⅜-11⅛	11⅛	11¾
Six months	11-10⅞	11¼-11⅜	11¼	11⅜	—	—	—	10½-10⅜	10⅞	11¼
Nine months	10⅞-10¾	11⅛-11⅛	11	11¼	—	—	—	—	—	—
One year	10⅛-10⅛	11-11⅛	10⅞	11⅛	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	12⅛-11⅞	—	12	7.75-7.85	7⅜-7⅞	7⅛-8⅛
Two months	11⅞-11⅝	—	11⅞	7.75-7.85	7⅛-7⅞	8¼-8⅜
Three months	11¾-11¼	—	11¾	7.8-7.9	7⅞-8	8⅜-8⅛
Six months	11⅝-11⅜	—	11⅜	7.95-8.05	7⅞-8⅛	8⅝-8¾
Nine months	11¼-11⅜	—	11¼	8.2-8.6	—	—
One year	11-10¾	—	11⅛	8.3-8.4	8⅛-8⅛	8¾-8⅞
Two years	—	11	—	—	—	—
Three years	—	11	—	—	—	—
Four years	—	11	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Finance IV: Average rate of interest period July 3 to August 6 (inclusive): 11.989 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 12½ per cent from August 1 1985. London and Scottish Clearing Bank Rates for lending 11½ per cent. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent (sic). Treasury Bills: Average tender rate of discount 11.0011 per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11¾ per cent; one-three months 11½ per cent; three-six months 11¼ per cent; six-nine months 11¼ per cent; nine-12 months 11 per cent. Under £100,000 10½ per cent from August 9. Deposits held under Series 5 11 per cent. The rate for all deposits withdrawn for cash 7½ per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	9½
Broker loan rate	8¾-9
Fed funds	8⅛
Fed funds at intervention	8⅛

Treasury Bills

One month	6.83
Two month	6.98
Three month	7.30
Six month	7.57
One year	7.95

Treasury Bonds

Two year	8.84
Three year	9.17
Four year	9.43
Five year	9.67
Seven year	9.98
10 year	10.12
30 year	10.38

FT LONDON INTERBANK FIXING

$	(11.00 a.m. Aug. 28) 3 months U.S. dollars
bid 8	offer 8 1/8

6 months U.S. dollars	
bid 8 3/16	offer 8 5/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Narrow trading

Trading was generally dull on the London International Financial Futures Exchange yesterday, with no news to stimulate market interest. Sterling denominated contracts tried to rise on the back of the strong pound, but proved disappointing. Gilts failed to follow through after a firm opening and finished on the day's low, at a technical support level of 112-04 for September delivery, compared with 112-06 previously.

September three-month sterling deposits traded in a very narrow range, closing at 88.54, against 88.59 on Tuesday, despite the fact that present interest rate levels in the cash market indicate a September price of around 88.25. There is also no evidence the Bank of England will endorse a cut in interest rates before the contract is delivered.

Eurodollar and U.S. Treasury bond futures were quiet, but firm. A high Federal funds rate in New York restricted the upward move of both contracts, although dealers pointed out that make-up day for banks tends to cause distortions in the Federal funds level. It was also suggested that the underlying strength in Eurodollars and bonds was the result of rumours in Chicago that tomorrow's figure on U.S. June leading indicators will be revised sharply lower.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Sept	91.82	92.00	91.96	91.44
Dec	91.68	91.70	91.65	91.63
March	91.28	91.29	91.26	91.21
June	90.89	90.90	90.88	90.81

Est. Volume 3,416 (2,663)
Previous day's open int. 19,621 (19,649)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
Sept	88.54	88.69	—	88.59
Dec	89.53	89.58	—	89.55
March	89.81	89.84	—	89.81
June	89.76	89.80	—	89.75
Sept	89.72	89.75	—	89.78

Est. Volume 1,836 (1,199)
Previous day's open int. 7,194 (7,178)

20-YEAR 10% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Sept	112-04	112-11	112-04	112-06
Dec	112-20	112-25	112-17	112-19
March	113-04	—	—	113-03

Est. Volume 1,714 (1,123)
Previous day's open int. 3,316 (3,353)
Basis quote (clean cash price of 13¼% Treasury 2004/08 less equivalent price of near futures contract) −2 to 6 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	1.4016	1.4045	1.3953	1.3916
Dec	1.3893	1.3890	1.3885	1.3800
March	1.3818	—	—	1.3730

Est. Volume 274 (144)
Previous day's open int. 3,301 (3,286)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	0.3613	0.3622	0.3608	0.3597
Dec	0.3648	0.3652	0.3642	0.3632

Est. Volume 60 (77)
Previous day's open int. 267 (242)

SWISS FRANCS SwFr 125,000 $ per Y100

	Close	High	Low	Prev
Sept	0.4405	0.4416	0.4387	0.4380
Dec	0.4450	0.4450	0.4443	0.4425

Est. Volume 54 (47)
Previous day's open int. 208 (206)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4223	0.4227	0.4228	0.4220
Dec	0.4243	0.4247	0.4242	0.4240
March	0.4262	—	—	0.4262

Est. Volume 16 (35)
Previous day's open int. 175 (176)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Sept	130.85	130.80	130.00	130.90
Dec	131.36	130.70	130.35	131.46

Est. Volume 161 (58)
Previous day's open int. 1,569 (1,562)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	78-03	78-09	77-31	77-25
Dec	77-01	77-04	76-25	76-22
March	76-01	—	—	75-22

Est. Volume 2,004 (1,820)
Previous day's open int. 2,427 (2,908)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	78-05	78-09	77-30	78-03
Dec	77-01	77-05	76-28	76-31
March	76-00	76-03	75-26	75-30
June	75-02	75-03	74-28	74-31
Sept	74-06	74-09	74-00	74-03
Dec	73-12	73-13	73-03	73-09
March	72-20	72-20	72-14	72-17
Dec	—	—	—	70-19
March	—	—	—	70-02

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	93.08	93.08	93.05	93.05
Dec	92.82	92.883	92.78	92.79
March	92.46	92.46	92.44	92.44
June	—	92.12	92.08	92.08
Sept	—	—	—	91.77
Dec	—	91.52	91.52	91.48
March	—	—	—	91.22
June	—	—	—	90.96

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	92.29	92.34	92.28	92.32
Dec	—	92.01	91.98	92.00
March	—	—	—	91.59
June	—	—	—	91.16

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	91.98	91.98	91.95	91.89
Dec	91.68	91.69	91.64	91.57
March	—	91.28	91.24	91.25
June	90.88	90.88	90.84	90.85
Sept	—	90.51	90.48	90.49
Dec	90.12	90.17	90.12	90.15
March	—	89.85	89.82	89.83
June	—	89.55	89.52	89.53

STERLING (IMM) $e per £

	Latest	High	Low	Prev
Sept	1.4015	1.4030	1.3975	1.3940
Dec	—	1.3920	1.3865	1.3836
March	1.3850	1.3850	1.3800	1.3765
June	1.3800	1.3800	1.3800	1.3715
Sept	—	—	—	1.2506

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	7-06	77-09	77-03	77-06
Dec	76-14	76-16	76-10	76-12
March	—	—	—	75-21
June	—	—	—	75-00

LONDON SHARE SERVICE

BRITISH FUNDS

1985 High	1985 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
101⅛	[illegible]	Exch. 12¼pc 1985	104	.....	12.25	11.45
101⅛	[illegible]	Exch. 11½pc '86	100⅛	.....	11.71	10.96
99½	97¾	Treas. 10pcCv 1986	99	−⅛	10.06	11.10
95¾	[illegible]	Treas. 3pc 1986	95¾	.....	5.14	9.47
100	[illegible]	Exch. 10½pc Cv '86	99	.....	10.53	10.85
101⅞	[illegible]	Treas 12pc 1986	100¼	.....	[illegible]	10.88
98	[illegible]	Treas 8¼pc 1984-86‡‡	98¾		[illegible]	10.46
105	102	Exch. 14pc 1986	105	−⅛	[illegible]	10.70
94¼	[illegible]	Exch. 2½pc 1986	94¼	+⅛	[illegible]	7.45
104	101	Exch. 13¼pc 1987	103¼	−⅛	[illegible]	10.61
99	[illegible]	Treas 10¼pcCv '87	99	−⅛	[illegible]	10.48
92	[illegible]	Exch 2½pc 1987	92	.....	[illegible]	7.69
99¾	96	Exch. 10½pc 1987	99¼	.....	[illegible]	10.64
94	89	Funding 6½pc '85-87‡‡	94	.....	[illegible]	10.26
99	95	Treas. 10pc 1987	98	.....	10.1	10.63
90	84	Treas 3pc 1987	90	−⅛	3.3	8.62
102	99	Treas. 12pc 1987	102¼	.....	11.	10.75
95	90	Treas 7¾pc 1985-88‡‡	95	+⅛	[illegible]	10.12
99	95	Exch 10½pc '88	99	.....	[illegible]	10.61
97	93	Treas 9½pc Cv '88	97¼	.....	9.	10.68
86	80	Transport 3pc '78-88	86	.....	[illegible]	8.63
96	91½	Treas. 9½pc '88	96¼	.....	[illegible]	10.71
102¾	97	Treas 11½pc 1989	102	.....	11.	10.58
96	90	Treas 9½pc Cnv. '89	96½	+⅛	9.	10.67
82	79	Treas 3pc 1989	82½	−⅛	[illegible]	8.60
99	94	Treas 10½pc 1989	99	.....	[illegible]	10.58
98	92	Exch.10pc 1989	97	.....	1	10.64
101¼	95	Exch 11pc 1989	101¼	+⅛	10	10.67
85	79	Treas 5pc 1986-89	85¼	−⅛	[illegible]	9.34
108¾	103	Treas. 13pc 1990‡‡	108	+⅛	11.	10.51
101¾	96	Exch 11pc 1990‡‡	102	+⅛	[illegible]	10.57
108¾	100	Exch. 12½pc 1990	106¾	+⅛	11.	10.66
77¾	75	Treas. 3pc 1990	77¾	+⅛	[illegible]	8.94
93	87	Treas 8¼pc 1987-90‡‡	93	[illegible]	[illegible]	10.29

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont.

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
48	28	♦Mammet Hldg: 10p.	40		—	—	—	♦
390	202	Man Ship Can. £1	364	−1	5.5	1.5	2.2	19.1
104	70	Marley	77	+1	3.75	2.2	7.0	9.2
107	52	Marling Ind 10p	91		td3.0	♦	2.0	♦
74	36	Marshall L'sy 'A'	73		2.4	4.9	4.8	5.1
77	58	Marshall's Universal	58		2.0	1.4	4.9	(18.4)
86	78	Do. 7½pcCnRedPf £1	82		7½%	—	13.1	—
For Martin-Black see Dean Park Hotels in Recent Equities								
£99	£81	♦Mathesons 7¼%	£99		Q7¼%	2.3	7.9	—
15	26	♦Maxprint 1p	27		—	—	—	—
492	375	Metal Box £1	470	−15	17.25	3.1	5.2	7.1
170	119	Metal Closures	125	−4	6.7	2.0	7.8	7.7
17	3	♦Metal Sciences 2½p	6	−1½	—	—	—	—
104	73	♦Midland Marts	98		4.0	2.1	5.8	11.7
*83½	56	Mitchell Cotts	56	−1	t4.0	1.2	10.2	0.0
230	182	Morgan Crucible	191	+3	8.0	1.6	6.0	13.3
32½	22	♦Morris (W) F.A. 20p	28½	−1	g0.5	♦	2.5	♦
112	91	Moss (Robt.) 10p	112	+2	3.0	2.5	3.8	12.4
81	60	Mysoo Grp 10p	69		g2.5	3.4	5.2	13.1
328	214	♦NMW Computers	275		h4.8	2.7	2.3	22.1
43	28	Nash Inds.	30		‡2.5	1.5	‡	6.9
48	10	Neil & Spencer 10p	18		♦	—	—	5.4
44	14½	Newman Inds 10p	33		—	—	—	(15.6)
*41	26	Nolton	35		t1.17	4.3	4.8	6.8
189	146	Norcros	185		8.6	2.2	6.6	9.2
67	50	Nu-Swift 5p	51	−1	3.0	1.6	8.4	9.0
111	68	Oakwood Grp	93		t04.5	1.4	6.9	(13.7)
250	150	Office & Elect	246	−1	7.5	2.4	4.4	13.5
108	75	Oldacre 20p	77xd		4.0	2.6	7.4	6.0
58	37	♦Optometrics $0.01	47		u0Q2c	—	5.5	♦
495	312½	Oriflame £1	450		23.4	1.8	3.2	10.7
18	10	Owenstone 12½c	10		W03.23c	1.9	9.6	5.5
£190	£159	Ozalid 9pc Cnv 87-92	£185	+1	Q9%	—	—	—
185	105	♦PCT Grp 10p	130		3.2	3.2	5.1	15.7
£14	850	PLM 'B' Sk 25	937		Q21.6%	3.0	4.9	40.6
193	142	PSM Intl	130		g05.25	2.3	4.7	10.8
65	50	♦Pacific Sales 10p	60		b2.4	2.2	5.7	(9.1)
204	165	Parker Knoll 'A'	181		9.0	2.8	7.1	7.1
144	45	♦Parkfield Group 5p	144	+4	2.4	♦	2.4	♦
80	37	♦Pavion Intl	56	+1	—	—	—	—
£190	£101	Do 11pc CvLn '94-02	£140	+3	Q11%	—	18.2	—
978	257½	Pearson	348	−2	h6.5	3.1	5.5	12.0
29	18	Peek Holdings	23	+1	—	—	—	—
94	71	Peerless	82	+4	6.3	1.4	11.0	8.3
362	98	Pentland 10p	315	+10	h0.87	9.5	0.4	29.5
51	33	Pentos 10p	49	−1	0.35	7.7	1.0	13.2

LEISURE—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
52	7	♦Entertain Prod 5p	N		b2.25	2.1	40.2	1.4
78	50	Fairline Boats 10p	75		t2.63	2.6	5.8	10.7
326	228	First Leisure £1	320	−4	t6.5	2.0	2.9	14.8
69	51	GRA Group 5p	56½		—	—	—	75.4
32	25	Grampian TV4 10p	27		h1.67	♦	8.8	♦
147	117	HTV Non/Vtg.	147		h7.0	2.9	6.8	6.6
148	95	Horizon	185	−1	♦4.9	3.6	6.0	4.7
184	90	Insight	146	−2	t2.5	6.3	2.5	9.0
138	102	Juliana 10p	136		4.8	3.1	5.0	7.4
232	170	Juliana's Hldgs 2p	175		2.0	1.8	1.4	28.9
290	217	LWT	290		14.4	2.3	7.1	8.8
30	25	♦Leisure Inv 10p	30	+1	—	—	—	5.3
65	55	Leisuretime Intl 10p	56xd		t2.1	3.9	3.4	6.0
For Mngmt Ag M see Chrysalis								
183	153	♦Media Tech Intl 20p	178		wg2.58	3.9	2.2	16.8
200	124	Mediamaster 10p	163	+3	t4.85	2.6	4.5	11.0
280	175	♦Mrs. World 10p	205	+5	3.6	4.1	2.5	13.9
127½	70	Nationwide Leisure	R1		t3.75	2.3	6.7	7.1
39	15	♦Nimslo Int 20c	18		—	—	—	—
24¼	19½	♦Owners Abroad	25½		1.0	2.2	6.1	10.5
53	38	Phalax (Lon.)	40		—	—	—	—
24½	20	♦P'dilly Radio NV 5p	21xd	+1	1.87	2.1	12.8	10.4
90	30	♦Pineapple Dnc St 10p	32	−1	d1.5	1.2	6.7	17.2
273	183	Pleasurama 5p	273	+13	t04.6	3.7	2.4	16.1
133	109	Do. 7pcCvCnRedPf	133xd		7%	—	7.5	—
96	77½	♦Pres Entertmnt 50p	93	+2	g2.0	2.1	3.1	22.1
65	28	♦Radio City 'A' NV	30		‡5.6	0.9	‡	6.0
55	42	♦Radio Clyde N/V	45	+2	3.25	2.0	10.3	6.6
63	34	Riley Leisure 10p	45		0.7	—	2.2	—
193	143	Saga Hols. 20p	185xd		t4.0	2.1	3.1	19.8
300	108	Samuelson Grp 20p	300	+15	1.8	♦	0.9	♦

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

INSURANCES

LEISURE

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

FINANCE, LAND—Cont.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

Miscellaneous

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
120	60	♦Colby Res Corp.	60		—	—	—
550	287	Cons. Murch. 10c	315	−15	tQ100c	1.4	9.5
40	24	♦Emex Inc. Ir10p	26	+1	—	—	—
215	115	Hampton Areas 10p	147	−1	3.75	0.9	3.4
260	135	♦Highwood Res.	175	+5	—	—	—
£22½	£17½	Homestake Mining $1	£19½	−¼	Q20c	—	7.4
310	190	♦McFinley Red Lake	220	+10	—	—	—
335	195	♦Musto Explorations	280	−5	—	—	—
55	23	♦New Sabina Res C$1	45		—	—	—
375	245	Northgate C$1	270	−10	—	—	—
685	533	RTZ	578	−7	20.0	2.7	5.0
£145½	£116½	Do. 9½pcLn '95-2000	£126½	−1½	Q9½%	14.0	(7.6)
£14¾	£10	♦Tara Expln $1	£10½	−⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 50 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- $ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	96		Arnott	182	
Craig & Rose £1	700		CPI Hldgs	65	+3
Finlay Pkg. 5p	59		Carrol Inds.	144	
Higsons Brew	225		Dublin Gas	78	+3
Holt (Jos) 25p	738		Hall (R. & H.)	58	
IoM Stm. £1	87	−3	Heiton Hldgs.	19	
IRISH			Irish Ropes	46	
Fund 11¼% 1988	£101¼		Jacob (W.& R.)	81	
Nat. 9¼% 84/89	£97½		Unidare	95xd	
Fin. 13% 97/02	£109⅞	−⅛			

"Recent Issues" and "Rights" Page 28
(International Edition Page 26)

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

LONDON STOCK EXCHANGE

MARKET REPORT

Equities unsettled on South African developments

Gold index retreats to 3-year low

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 29	Aug 8	Aug 9	Aug 19
Aug 12	Aug 29	Aug 30	Sept 9
Sept 2	Sept 12	Sept 13	Sept 23

* "New-time" dealings may take place from 6.30 am two business days earlier.

A sharp setback in South African Gold and Industrial shares on the London stock exchange yesterday following the South African authorities' suspension of domestic dealings in all foreign exchange and stock market transactions until next Monday provided the main source of interest in markets.

These developments made little impact on most UK blue chips, but triggered selling of companies with South African interests such as Metal Box, Reckitt and Colman, Standard and Chartered and Barclays Bank all of which recorded double figure losses.

Lack of fresh investment demand and a little profit-taking after the recent good run up earlier in the current three week Account was largely responsible for the modest early setback in the equity leaders.

Helped by late support for Lucas and a further speculative gain in Distillers the Financial Times Ordinary share index finished 1.2 higher at 991.3, having retreated in excess of 5 points at the mid-day calculation. Elsewhere, the early morning scene was enlivened by a bid for Fleet Holdings from United Newspapers.

Bank shares remained overshadowed by a resurgence of fears about world debt problems following the developments in Brazil and Nigeria. In contrast, Oils traded firmly awaiting today's announcement of half-yearly figures from British Petroleum.

Other well known names to report trading statements today include Associated Dairies and Blue Circle.

Activity to the Gilt-edged market failed to expand from the recent low levels. However, quotations were inclined a fraction harder in both long and short-dated stocks, the improvement being encouraged by the overnight firmness in U.S. bonds and yesterday's gain in sterling. Press mention stimulated interest in index-linked issues which recorded rises of ¼ and occasionally more.

Banks dull

The major clearing banks remained overshadowed by international debt worries and gave further ground prior to closing a shade above the worst. Barclays settled 9 off at 385p, after 383p, and Lloyds 7 cheaper at 425p, after 423p. Midland shed 5 to 392p and NatWest 7 to 655p. Standard Chartered reflected South African worries with a reaction of 20 at 445p. Elsewhere in the banking sector Goode Durrant and Murray fell 6 to 93p following the poor interim results.

Speculative support of Distillers continued apace and the shares, reinforced by sizeable U.S. buying, advanced 20 more to 344p—a gain of 31 so far this week. Once again, rumours persisted of a bid from GEC or Hanson Trust, with Argyll Group mentioned as a possible outsider.

The Building sector displayed two particularly dull features. AMEC fell 15 to 240p after revealing half-year profits some £2m below market estimates, while Taylor Woodrow lost 17 to 436p after comment on the interim results. Blue Circle softened 4 to 491p awaiting today's half-timer. Elsewhere, Press comment stimulated interest in Meyer International, up 3 at 149p, after 150p, while speculative demand in a restricted market lifted Blockleys 100 to 890p. Helical Bar attracted buyers and firmed 6 to 50p. Higgs and Hill rose 10 afresh to 403p.

ICI drifted back to a year's low of 645p on currency influences before settling 4 cheaper at 647p.

Leading Retailers drifted gently lower before attracting occasional support after-hours and closing well above the day's worst. Burton, down to 460p earlier, settled 3 dearer on balance at 465p, while W. H. Smith, a relatively nervous market since the annual figures were revealed last week, hardened a few pence to 240p. Marks and Spencer, however, continued to give ground in the wake of recent cautious comment and dipped 2 more to 148p. Secondary issues also traded quietly. I. J. Dewhirst eased 3 to 86p following the interim figures. Small selling clipped 10 from Ward White at 316p.

Emess better

A shade easier from the outset, leading Electricals attracted sporadic interest after the "house" close and finished a touch firmer for choice. BICC rose 5 to 213p on scattered support ahead of next Wednesday's half-timer. Gains of around 3 were common to British Telecom, 197p, and Thorn EMI, 384p. Plessey, still awaiting Ptarmigan defence contract developments, rallied from an initial 144p to the overnight level of 148p. Elsewhere, attention centred on Emess Lighting which advanced 20 more to 275p following the interim figures and proposed rights issue to finance the acquisition of Marlin Electric for £12.6m. Microvitec hardened 3 to 43p following mid-term results.

Vosper, a strong market recently on compensation hopes, fell 25 to 215p following profit-taking. TI dipped to 360p early on but picked up well and closed a couple of pence firmer on balance at 368p on revived takeover speculation. Elsewhere, Babcock International's interim results were broadly in line with market forecasts and the shares hardened a shade to 140p. Recent good results continued to boost Telfos, 3 up at 79p, and Richards (Leicester), a like amount better at 63p.

Among Food Retailers, Argyll came under further selling pressure on talk that the company is about to announce an acquisition and fell 14 to 311p; yesterday, the company was being mentioned as a possible bidder for Distillers. Associated Dairies shed 4 to 146p awaiting today's annual results and Tesco gave up 5 to 250p. Bid favourite Kwik Save came back 6 to 218p in the absence of any developments.

Reckitt & Colman weak

Companies with South African interests bore the brunt of selling in a generally dull industrial sector. Reckitt and Colman were a particularly weak market at 512p, down 23, while others on offer included BTR, 10 lower at 348p, Metal Box, 15 off at 470p. Beecham encountered American selling and fell 3 to 338p, but Glaxo hardened ¼ to £13. British Aerospace remained an active market, closing a penny dearer on balance at 358p after 350p. Bowater attracted revived speculative buying and put on 8 to 318p, while Extel rose 12 more to 330p. Pentland Industries reflected the excellent interim results with a rise of 10 at 315p, while Marley hardened a penny to 77p, the maintained dividend compensating for the poor half-year profits. Buyers returned for Johnson Matthey, up 7 at 125p but profit-taking left recently-firm Siebe 25 lower at 545p, while Williams Holdings lost 14 to 348p awaiting today's half-timer.

Samuelson Group rose 15 for a two-day gain of 45 to 300p in response to the good annual results and confident statement, while Pleasurama gained 13 to 273p following comment on the interim figures.

Lucas Industries highlighted otherwise uninspired Motors, attracting late support and rallying from an earlier 315p to finish 10 dearer on balance at 328p.

Fleet Holdings spurted 15 to 360p in anticipation of a vehement defence to the share-exchange offer from United Newspapers worth just under 339p per share; United, which also announced increased first-half profits and dividend, closed 10 to the good at 308p. Elsewhere in Publishers, International Thomson hardened 6 to 506p in reply to the interim statement. Among advertising agencies, Geers Gross rose 4 more to 78p following the appointment of founder and chief executive Mr Robert Gross as chairman. Good Relations, on the other hand, met late selling and closed 15 cheaper at 203p.

Slough Estates firmed 3 to 152p in reply to the good interim results and Great Portland Estates improved a couple of pence awaiting news from the annual meeting. Among other Properties, Regalian encountered further profit-taking in the wake of its recent sharp rise and fell 15 to 215p. Dealings in House Property Company of London and Wober Holdings resumed following the termination of merger discussions; the former suspended at 280p, settled at 270p, while the latter closed at 8p compared with the suspension price of 91p.

BP gain ground

A firmer trend in international crude oil prices following the military coup in Nigeria helped leading oils extend their recent gains. BP attracted sustained buying interest ahead of today's second quarter results and touched 560p before settling a net 6 firmer at 558p. Shell improved in sympathy and moved up 10 to 597p, after 700p while renewed speculative support boosted Enterprise Oil a further 4 to 198p, for a three-day gain of 15.

Golds retreat

The suspension of dealings in South African Financial markets—including foreign exchanges and the Johannesburg Stock Exchange—until next Monday in an effort to stem the outflow of capital from the Republic led to sharply increased pressure on Gold shares in London.

The moves by the South African authorities followed the latest slide in the Rand on Tuesday when the currency dropped to a record low of 35.4 U.S. cents, in the wake of the threatened all-out strike by black mineworkers and continuing outbreaks of civil unrest in the Republic.

London dealers in South Africans widened spreads in pre-market trading in an attempt to head off any panic selling and there was some doubt as to whether official dealings in South Africans would be allowed to take place when the London Stock Exchange opened for business. Trading went ahead as usual, however, and Gold share prices, as well as other South African issues fell sharply at the official opening reflecting steep falls in the U.S. overnight. Quotations continued to lose ground during the morning session, mainly as a result of London selling pressure. Markets steadied around midday, owing to the appearance of cheap buyers from the Continent, but resumed their downward trend in the afternoon as renewed American selling became evident.

Closing levels were around the day's lowest and the Gold Mines index posted a 16.4 decline to 290.4—its lowest level since August 19. In April this year, before the outbreaks of civil unrest in the country, the Gold Mines index touched a year's peak of 536.9.

The severest losses in Golds were recorded by the top-quality issues among which Vaal Reefs dropped £3½ to £48½. Randfontein lost £2¼ at £52¼ and Western Deep retreated £1¼ to £23. South African Financials were equally depressed—"Johnnies" slumped £6 to £52, while Anglo American Corporation ran back 55 to 800p, Gencor 100 to 700p and GFSA 67 to 895p. De Beers lost 10 at 320p. The London-domiciled Consolidated Gold Fields, which has substantial gold mining interest in the Republic, highlighted UK issues and dropped to a 1985 low of 388p before steadying to close a net 22 down at 400p.

South African Industrials suffered along with mining issues. OK Bazaars dipped 25 to 325p, SASOL 13 to 182p and South African Breweries lost 10 to 195p.

Australians made good progress in overnight Sydney and Melbourne following the news from South Africa. Golds were major beneficiaries with Poseidon outstanding and finally 22 firmer at 240p. Gold Mines of Kalgoorlie put on 15 to 585p and ACM 8 to 100p.

FINANCIAL TIMES STOCK INDICES

	Aug. 28	Aug. 27	Aug. 23	Aug. 22	Aug. 21	Aug. 20	year ago
Government Secs	83.56	83.60	83.70	83.69	83.46	83.33	79.78
Fixed Interest	88.60	88.59	88.81	88,73	88,07	88.64	83.23
Ordinary ♥	991.3	990.1	991.4	987.2	988.2	982.2	849.8
Gold Mines	290.4	306.8	311.3	310.1	322.8	322.5	564.0
Ord. Div. Yield	4.75	4.76	4.76	4.78	4.77	4.80	4.84
Earnings, Yld. % (full)	11.76	11.76	11.77	11.77	11.76	11.81	11.35
P/E Ratio (net) (*)	10.54	10.55	10.62	10.48	10.60	10.44	10.60
Total bargains (Est.)	20,346	20,268	21,823	21,171	21,969	21,038	16,478
Equity turnover £m.	—	245.96	328.04	319.87	385.74	399.32	204.18
Equity bargains	—	18,361	18,371	20,216	22,583	22,517	16,320
Shares traded (ml)	—	123.8	174.5	168.4	184.0	180.7	118.6

♥ 10 am 988.5. 11 am 987.0. Noon 985.0. 1 pm 985.3. 2 pm 986.0. 3 pm 986.4. 4 pm 987.9.

Day's High 991.3. Day's Low 984.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=10.16.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.87 (30/7)	78.09 (28/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	88.81 (23/8)	82.17 (28/1)	150.4 (28/11/47)	50.53 (6/1/75)
Ordinary	1024.5 (22/1)	911.0 (25/7)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	555.9 (15/4)	290.4 (28/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Aug. 27	Aug. 23
Daily Gilt Edged Bargains	116.8	151.9
Equities Bargains	119.0	119.0
Equities Value	497.2	665.0
5 day Average Gilt Edged Bargains	126.3	128.4
Equities Bargains	162.2	151.7
Equities Value	678.7	688.2

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (66)

BRITISH FUNDS (7)
Exchqr. 2½pc 1986; Treas. 13¼pc 1993; Treas. 7¾pc '85-88; Treas. 2pc IL 1988; Treas. 3pc 1990; Treas. 2pc IL 1990; Exchqr. 11pc 1991

BANKS (2)
Midland 10¼pc Sub. Unc. Ln. '93-98; Wagon Finance

BREWERS (2)
Clark (Matthew) Distillers; Invergordon Dists.

BUILDINGS (5)
Blockleys; Helical Bar; Higgs & Hill; Laing (John); Meyer Intl.

STORES (3)
Our Price; Share Drug; Superdrug Stores

ELECTRICALS (5)
Emess Lighting; Jones Stroud; Microfilm Reprogs.; Stone Intl.; Whitworth Electric

ENGINEERING (4)
Firth (G. M.); Porter Chadburn; Richards (Leicester); Telfos

FOODS (1)
Batleys

INDUSTRIALS (10)
Huntleigh Tech.; Johnson Matthey; Lawtex; MacLellan (P. W.); Moss (Robt.); Parkfield; Radiant Metal; Stonehill Hldgs.; Utd. Packaging; Watsham's

LEISURE (1)
Samuelson

MOTORS (1)
Perry

NEWSPAPERS (2)
Fleet Hldgs.; Independent

PROPERTY (8)
CALA; Compco; McInerney; Parkdale; Property Prtnshps.; Slough Ests.; Slough Ests 10pc Cnv. 1987-90; Do. 8pc Cnv. 1991-1994

TEXTILES (2)
Sumner (F.); Yorklyde

TRUSTS (9)
City & Coml. Inc.; Fleming Claverhouse; Globe Inv.; Murray Growth; Do. B; M. G. Dual Inc Cap.; M. Throgmorton Inc.; SPLIT Cap.; Scottish Inv.

OILS (1)
Elf UK 12¼pc Ln. '91

MINES (2)
Hawk Invs.; West Coast

NEW LOWS (78)

AMERICANS (7)
AridTech; BASIX; Brunswick; Business Computer; Cullinet Software; Dana Corp.; Fin. Corp. America

CANADIANS (1)
Seagram

CHEMICALS (2)
ICI; Novo Inds. B

ELECTRICALS (3)
Compsoft; Northern Telecom; Scantronic

ENGINEERING (1)
Bailey (C. H.)

FOODS (1)
Premier Group

INDUSTRIALS (5)
Armour Trust; Fergebrook; Mitchell Cotts; Rolfe & Nolan; Wood (Arthur)

SHIPPING (1)
Mersey Dock Units

SOUTH AFRICANS (9)
Abercom; Anglo Amer. Ind.; Barlow Rand; OK Bazaars; SASOL; SA Breweries; Tiger Oats; Tongaat-Hulett; Unisec

TEXTILES (2)
Corah; Richards

TRUSTS (3)
Cambrian Genl. Cap.; FUGIT; Hunting Group

OVERSEAS TRADERS (2)
Lonrho; REA Hldgs.

PLANTATIONS (2)
Cons. Plants.; Kuala Kepong

MINES (39)

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Wed Aug 28 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Tues Aug 27 Index No.	Fri Aug 23 Index No.	Thurs Aug 22 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	531.18	−0.5	10.62	4.17	11.87	10.52	534.04	535.61	535.18	510.50
2	Building Materials (22)	554.14	−0.5	11.90	4.78	10.41	11.92	556.96	560.30	558.93	460.25
3	Contracting, Construction (29)	826.71	−1.2	12.86	5.00	10.70	17.54	836.63	838.47	837.07	684.55
4	Electricals (14)	1441.91	+0.4	11.09	5.13	11.43	33.14	1436.18	1424.94	1418.95	1599.92
5	Electronics (38)	1441.58	−0.1	10.54	3.13	12.51	27.30	1443.27	1450.42	1446.05	1821.01
6	Mechanical Engineering (62)	294.74	−0.1	11.02	4.74	11.08	6.35	295.11	294.89	296.20	252.86
8	Metals and Metal Forming (7)	209.78	+1.0	11.95	7.49	10.53	4.13	207.64	207.02	208.97	187.65
9	Motors (16)	166.34	+0.1	13.29	5.09	9.30	3.55	166.12	167.11	167.85	121.53
10	Other Industrial Materials (18)	935.14	−2.0	7.38	3.58	16.43	15.81	954.16	954.73	955.08	700.81
21	CONSUMER GROUP (176)	678.29	−0.2	9.43	3.85	13.23	12.36	679.87	680.23	678.93	515.71
22	Brewers and Distillers (23)	658.36	+0.5	10.50	4.39	12.02	13.81	655.22	657.38	659.11	585.72
25	Food Manufacturing (21)	500.21	—	11.88	4.87	10.82	13.09	500.38	499.73	498.07	394.57
26	Food Retailing (14)	1616.97	−1.2	6.02	2.58	22.46	16.93	1637.44	1638.60	1641.28	1216.99
27	Health and Household Products (9)	1067.57	−0.7	6.35	2.78	18.50	11.95	1075.13	1072.64	1065.83	883.15
29	Leisure (22)	675.83	+0.4	8.37	4.87	15.62	20.79	673.15	669.47	667.32	577.58
32	Newspapers, Publishing (12)	1883.76	+1.3	8.19	4.12	15.72	37.91	1859.72	1847.74	1851.73	1283.84
33	Packaging and Paper (14)	358.45	—	9.89	4.12	12.00	6.20	358.58	359.75	359.59	243.88
34	Stores (42)	673.07	−0.5	7.39	3.15	18.45	9.53	676.64	682.59	679.59	439.77
35	Textiles (16)	326.01	−0.3	13.41	5.04	8.46	7.97	327.09	327.48	328.91	271.91
36	Tobaccos (3)	800.81	+0.3	18.45	5.37	6.14	18.71	798.54	787.70	786.72	684.70
41	OTHER GROUPS (101)	689.90	+0.2	9.19	4.10	14.08	14.13	688.46	688.65	687.19	462.20
42	Chemicals (19)	668.00	−0.6	14.70	5.67	8.99	24.95	671.88	669.78	671.83	612.13
44	Office Equipment (4)	206.12	−0.4	7.75	4.27	15.39	3.64	206.91	207.34	207.04	139.69
45	Shipping and Transport (12)	1176.41	+0.3	8.13	4.43	15.26	25.71	1172.85	1172.16	1172.68	862.92
46	Miscellaneous (64)	851.18	−0.5	7.30	3.74	16.55	14.06	855.85	857.90	851.69	643.87
48	Telephone Networks (2)	899.54	+1.1	8.26	3.61	16.14	14.30	889.93	890.24	889.03	0.0
49	INDUSTRIAL GROUP (483)	650.22	−0.2	9.66	4.00	13.00	12.50	651.44	652.13	651.03	511.59
51	Oils (17)	1174.88	+1.1	15.97	7.15	7.70	39.47	1162.17	1153.59	1148.31	1081.13
59	500 SHARE INDEX (500)	694.24	—	10.50	4.42	11.97	14.68	694.38	694.34	692.91	559.31
61	FINANCIAL GROUP (115)	483.88	−0.7	—	4.96	—	12.39	487.42	489.30	488.83	389.87
62	Banks (6)	482.48	−1.4	18.58	6.14	7.69	19.80	489.47	494.51	490.88	365.83
65	Insurance (Life) (9)	760.30	−0.1	—	4.29	—	14.71	761.17	759.62	764.46	549.77
66	Insurance (Composite) (7)	365.79	−0.8	—	5.36	—	8.53	368.86	371.79	373.63	280.46
67	Insurance (Brokers) (7)	1147.05	−0.6	8.33	3.61	16.07	21.02	1154.46	1146.21	1141.38	847.91
68	Merchant Banks (11)	233.94	+0.2	—	4.76	—	4.92	233.47	233.54	232.67	206.74
69	Property (50)	660.31	—	5.66	3.41	23.72	9.88	660.43	661.00	658.71	587.78
70	Other Financial (25)	273.68	−1.6	10.33	6.03	11.81	8.14	278.19	279.30	279.85	246.06
71	Investment Trusts (106)	588.93	+0.3	—	3.65	—	10.05	587.45	586.82	587.36	513.39
81	Mining Finance (3)	250.49	−2.4	12.96	6.12	8.95	5.36	256.77	260.55	260.73	277.79
91	Overseas Traders (14)	599.95	−1.1	12.50	6.64	9.58	23.86	606.58	603.08	600.05	562.98
99	ALL-SHARE INDEX (730)	633.64	−0.2	—	4.51	—	13.81	634.65	635.04	633.95	513.11

	Index No.	Day's Change	Day's High	Day's Low	Aug 27	Aug 23	Aug 22	Aug 21	Aug 20	Year ago
FT-SE 100 SHARE INDEX	1308.2	−2.6	1308.2	1302.5	1310.8	1313.5	1309.7	1313.9	1307.1	1087.2

FIXED INTEREST

	PRICE INDICES	Wed Aug 28	Day's change %	Tues Aug 27	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	119.79	+0.03	119.66	—	7.36
2	5-15 years	132.92	+0.10	132.79	—	9.31
3	Over 15 years	137.97	+0.08	137.86	—	9.21
4	Irredeemables	151.46	+0.04	151.40	—	8.55
5	All stocks	130.84	+0.07	130.75	—	8.67
6	Debentures & Loans	112.78	−0.13	112.92	—	6.91
7	Preference	79.94	+0.10	79.86	—	4.68
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	111.45	+0.23	111.19	—	2.41

	AVERAGE GROSS REDEMPTION YIELDS		Wed Aug 28	Tues Aug 27	Year ago (approx.)
	British Government				
1	Low	5 years	9.97	9.97	11.19
2	Coupons	15 years	10.15	10.14	10.69
3		25 years	10.15	10.15	10.23
4	Medium	5 years	10.71	10.72	11.90
5	Coupons	15 years	10.51	10.52	11.12
6		25 years	10.19	10.19	10.46
7	High	5 years	10.89	10.81	11.91
8	Coupons	15 years	10.67	10.68	11.29
9		25 years	10.32	10.32	10.56
10	Irredeemables†		9.76	9.76	10.17
11	Debs &	5 years	11.49	11.42	12.41
12	Loans	15 years	11.36	11.32	12.27
13		25 years	11.24	11.23	12.14
14	Preference†		12.27	12.28	13.06
15	Inflation rate	5%	3.55	3.56	3.78
16		10%	3.35	3.37	3.59

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BTR	348	−10
Beecham	338	−8
Brit. Aerospace†	180	−3
BP	558	+6
Distillers	344	+20
Enterprise Oil	198	+4
Fleet Hldgs.	470	−15
Metal Box	470	−15
Reckitt & Colman	512	−23
Standard Chartered	445	−20
Taylor Woodrow	436	−17
Utd. Newspapers	308	+10

† Partly-paid

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Cable & Wire.	17	580	+12
Pleasurama	16	260	−2
Distillers	13	324	+11
Br. Aerospace†	11	183	−7
Cannon St. Invs	11	45	+2
STC	11	90	+2
Tod (W&J)	11	140	—
Barclays	10	394	−4
BP	10	552	+6
Grand Met.	10	318	−3
Lloyds Bank	10	432	−6
Thorn EMI	10	381	+6

† Partly-paid

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$320	242	61	—	—	—	—	$340.80
GOLD C	$340	128	18	169	26	—	—	"
GOLD C	$360	148	9	94	16	95	22.50	"
GOLD P	$320	5	4	—	—	—	—	"
GOLD P	$340	6	10	—	—	—	—	"
GOLD P	$360	—	—	—	—	30	24	"
[illegible]								

TOTAL VOLUME IN CONTRACTS: 19,668

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price p	+ or −	Net dividend	Times covered	Gross yield	P/E ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price £	+ or −
[illegible]							

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price p	+ or −
[illegible]							
400	F.P.	20/9	568	463	Siebe	543	−25
425	F.P.	20/9	506	446	TACE 10p	480	
350	Nil	23/9	50pm	35pm	♣Thermal Scientific	45pm	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. r Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment letters or fully paid. ‡‡ Introduction. ♣ Unlisted Securities Market. § Placing price. ‡‡ Dealt in under Rule 535 (3). ♥ Dealt in under Rule 535 (4) (a).

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 19	Sept 6	Nov 21	Dec 2
Sept 9	Sept 20	Dec 5	Dec 16
Sept 23	Oct 4	Dec 19	Dec 30

For rate indications see end of Share Information Service

Stocks favoured for the call included STC, Telefusion, Acorn Computer, Telemetrix, Moss Bros, Allied-Lyons, Churchill Energy, Francis Sumner, Sound Diffusion, Spear and Jackson, British Telecom, Brengreen, Blackwood Hodge, Senior Engineering, United Biscuits, Albion, Hawtin, Premier Oil, Distillers, Wheway Watson, Birmid Qualcast and Tranwood. No puts or doubles were reported.

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
B.P. (*558)	460	105	—	—	1½	—	—
	500	63	78	88	6	10	16
	550	23	40	47	17	22	27
	600	6	15	—	55	65	—
[illegible]							

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
Lonrho (*152)	140	16	20	25	1½	6	6
	160	0¼	7	12½	8	11	19
	180	0¼	5	6	29	30	30
P. & O.	330	65	73	78	1	2	4
[illegible]							

Aug. 28 Total Contracts 6,180. Calls 3,790. Puts 2,390

* Underlying security price

[illegible]

gn—mole, perhaps (9) London NW11

WORLD STOCK MARKETS

AUSTRIA

Aug. 28	Price Sch%	+ or —
Creditanstalt	562	+7
Goesser	540	—5
Interunfall	1,625	......
Laenderbank	560	—5
Perlmooser	650	+8
Steyr-Daimler	175	+2
Veitscher Mag	568	—1

BELGIUM/LUXEMBOURG

Aug. 28	Price Frs.	+ or —
B.B.L.	8,000	+10
Banq. Gen Lux	7,060	......
Banq. Int. A. Lux	8,800	......
Bekaert B	6,850	—60
CimentCBR	2,465	—53
Cockerill	205	—9
Delhaize	7,850	......
EBES	2,220	+15
Electrobel	0,150	+310
Fabrique Nat	1,945	......
GB Inno BM	3,805	+35
GBL (Brux)	1,010	......
Gevaert	4,010	+60
Hoboken	6,360	—20
Intercom	8,230	+30
Kredietbank	8,100	+160
Pan Hldgs	10,050	......
Petrofina	6,230	—50
Royale Belge	19,500	......
Soc. Gen. Banq	8,500	+15
Soc. Gen. Belge	1,810	+5
Sofina	7,400	—20
Solvay	4,775	......
Stanwick Intl	1,600	......
Tractionel	4,050	+210
UCB	4,950	......
Wagon Lits	3,290	—20

DENMARK

Aug. 28	Price Knr %	+ or —
Andelsbanken	524	+1
Baltic Skand	660	+10
CopHandelsbank	300	—1
D. Sukkerfab	505	......
Danske Bank	365	......
De Danske Luft	1,316	......
East Asiatic	960	......
Forenede Brygg	065	......
Forenede Damp	205	+3
GNT Hldg	481	......
I.S.S.B.	610	......
Jyske Bank	720	......
Novo Ind s	1,970	—30
Privatbanken	309	—9
Provinsbanken	388	+9
Smidth (F.L.) B	279	+13
Sophus Berend	985	+6
Superfos	588	+1

FRANCE

Aug. 28	Price Frs.	+ or —
Emprunt 4½% 1973	1,610	—6
Emprunt 7% 1973	8,436	+55
Accor	264.8	—0.9
Air Liquide	570	+4
BIC	310	+10
Bongrain	1,800	+23
Bouygues	774	+4
BSN Gervais	0,130	+10
CIT-Alcatel	1,180	—6
Carrefour	2,360	+41
Club Mediter'n	318	+2
Cie Bancaire	632	+7
Cofimeg	290	+2
Damart	1,930	+20
Darty	1,495	+1
Dumez S.A.	840	—3
Eaux (Cie Gen)	646	+28
Elf-Aquitaine	204.1	—1
Essilor	2,250	+50
Gen.Occidentale	726	+7
Imetal	93.8	+0.8
Lafarge Coppee	543	+1
L'Oreal	9,410	+16
Legrand	2,157	+8
Maisons Phenix	170	+9
Matra S.A.	1,702	—13
Michelin B	1,335	+77
Midi (Cie)	2,880	—20
Moet-Hennessy	1,880	+13
Moulinex	82.7	+0.5
Nord Est	95	+0.5
Pernod Rica	685	—7
Perrier	313	+6
Petroles Fra	237	—1.0
Peugeot S.A.	400	+8
Printempts Au	088	—1
Radiotech	309	+3
Redoute	1,560	—3
Roussel-Uclaf	1,540	+20
Sefimeg	540	......
SkisRossignol	1,400	+60
Telemec Elect	3,680	+45
Thomson CSF	572	+0
Valeo	235	+8.9

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

GERMANY

Aug. 28	Price Dm.	+ or —
AEG-Telef	156	+4.7
Allianz Vers	1,407	+7
BASF	225.5	+0.8
Bayer	226.1	—0.8
Bayer-Hypo	374	+2
Bayer-Verein	400	+8
BHF-Bank	518	—4
BMW	457.6	+1.6
Brown Boveri	243	+2
Commerzbank	209.5	+9.3
Cont'l. Gummi	153.5	—4
Daimler-Benz	964	—3
Degussa	577	+8
D'sche Babcock	158	+1
Deutsche Bank	585.5	+7.3
Dresdner Bank	274.8	+1.8
GHH	181.5	+5
Hochtief	785	......
Hoechst	218.8	+0.5
Hoesch Werke	180.8	+6.7
Holzmann (P)	428xd	—1
Horten	193	—2
Hussel	570	......
Karstadt	264	—6.5
Kaufhof	285	+3.8
KHD	295	+7.5
Kloeckner	67.5	+1.5
Linde	505.5	+3.5
Lufthansa	882	......
MAN	163	+9.8
Mannesmann	198.3	+6.7
Mercedes Hld	866	—1.6
Metallgesell	965	—1
Muench Rueck	1,830	+30
Nixdorf	545	+11.5
Porsche	1,530	—9
Preussag	281	+6
Rhein West Elect	191	+9
Rosenthal	281	+1
Schering	460	......
Siemens	557	+1.7
Thyssen	150	+2.7
Varta	243	+11
Veba	242.5	+8
V.E.W.	148	+1
Verein-West	634	+1
Volkswagen	333.7	+2.9

ITALY

Aug. 28	Price Lire	+ or —
Banco Com'le	24,180	—120
Bastogi-IRBS	965	......
B.I-Invest	6,000	+190
Centrale	6,410	+20
Credito Varesino	4,580	+45
Fiat	4,199	+198
Finsider	—	—
Generali Assicur.	56,990	+890
Italcementi	45,200	+200
La Rinascente	845	......
Montedison	0,225	+80
Olivetti	6,655	+107
Pirelli Co	6,390	+185
Pirelli Spa	3,060	+71
Saipem	6,090	+60
Snia BPD	3,320	+30
Toro Assic	18,150	+096
do Pref	14,360	+451

NETHERLANDS

Aug. 28	Price Fls	+ or —
ACF Holding	245	—1
AEGON	05	—3.5
Ahold	238	—0.0
AKZO	124.1	—0.3
ABN	509xr	+1
AMEV	278.7	—1.3
AMRO	88	—0.3
Bredero Cert	178	+1
Bos Kalis Westm	18.9	......
Buehrmann-Tet	105	—1
Calland Hldgs	36.2	+0.9
Dordtsche Pet'm	177.4	+0.4
Elsevier-NDU	129.3	—1
Fokker	77.2	+0.3
Gist Brocades	216.5	—0.5
Heineken	150.6	—0.5
Hoogovens	62.9	+0.8
Int Mueller	60.8	+0.5
KLM	51.9	—0.1
Naarden	48	......
Nat Ned Cert	76.3	—4.3
Ned Mid Bank	210	+0.8
Nedlloyd	180.5	+0.5
Oce Grinten	336	......
Ommeren (Van)	20.3	—0.2
Pakhoed	64	—1.5
Philips	47.6	+0.2
Robeco	75.6	+0.2
Rodamco	136.7	+0.8
Rolinco	68.5	+0.2
Rorento	46.1	—0.1
Royal Dutch	193.6	+0.1
Unilever	330	+0.5
VMF Stork	250.0	—5.5
VNU	216.2	+0.7
Wessanen	177	—1.5
West Utr Bank	97.5	—6

NORWAY

Aug. 28	Price Kroner	+ or —
Bergens Bank	142	+1
Borregaard	422	—8
Christiania Bank	138.5	+1.5
DenNorske Cred	143.5	+5.5
Elkem	194	+1.5
Kosmos	224	+5
Kvaerner	167	+4
Norsk Data	375	+10
Norsk Hydro	108.5	—1
Storebrand	269	—4

SPAIN

Aug. 28	Price Pts%	+ or —
Bco Bilbao	558	—1
Bco Central	313	......
Bco Exterior	208	......
Bco Hispano	345	—1
Bco Popular	337	......
Bco Santander	347	......
Bco. Vizcaya	442	......
Dragados	136	......
Hidrola	77.2	—1
Iberduero	01.7	—1
Petroleos	132.5	......
Telefonica	118.1	+0.8

SWEDEN

Aug. 28	Price Kronor	+ or —
AGA	116	+1
Alfa-Laval B	187	......
ASEA (Free)	293	+5
Astra (Free)	395	......
Atlas Copco	115	......
Cardo (Free)	230	......
Cellulosa	188	......
Electrolux B	271	......
Ericsson B	227	......
Esselte	360	......
Mo och Domsjo	174	—1
Pharmacia	181	—1
Saab Scania Free	527	—75
Sandvik	460	......
Skandia	665	+1
Skan Enskilda	54	—0.5
SKF	216	—1
St Kopparbergs	147	—6
Sonesson	146	—2
Sven Handlesbn	176	+1
Swedish Match	190	—1
Volvo B (Free)	228	—3

SWITZERLAND

Aug. 28	Price Frs.	+ or —
Adia Intl	4,105	+530
Alusuisse	810	—7
Bank Leu	5,840	......
Brown Boveri	1,750	+15
Ciba Geigy	3,370	+10
do. (Part Certs)	2,580	+30
Credit Suisse	3,065	+16
Elektrowatt	3,390	+20
Fischer(Geo.)	970	+10
Hoff-Roche PtCts	96,875	+875
Hoff-Roche 1/10	8,675	+85
Jacobs Suchard	8,925	—25
Jelmoli	0,900	+50
Landis & Gyr	1,990	+10
Nestle	7,025	+60
Oer-Buehrle	1,625	+35
Pirelli	379	+11
Sandoz (Br)	8,775	+75
Sandoz (PtCts)	1,425	+45
Schindler (PtCts)	010	......
Sika	1,540	—10
Surveillance A	3,450	+10
Swissair	1,465	—6
Swiss Bank	480	—2
Swiss Reinsce	13,300	+900
Swiss Volksbk	1,795	......
Union Bank	4,355	—15
Winterthur	4,760	+60
Zurich Ins	6,740	+16

AUSTRALIA

Aug. 28	Price Aust $.	+ or —
ANZ Group	4.74	—0.01
Alliance Oil Dev	1.05	......
Ampol Pet	2.22	—0.01
Ashton	1.1	......
Aust. Cons. Ind	2.82	+0.04
Aust.Guarantee	2.8	......
Aust. Nat. Inds	2.62	+0.02
APM	2.8	+0.05
Bell Group	8.1	......
Bell Res	7.5	—0.05
Bond Corp Hldgs	1.8	+0.05
Boral	3.4	—0.02
Bougainville	1.0	+0.08
Brambles Inds	3.95	......
Bridge Oil	2.59	—0.05
B.H. Prop	7.24	+0.04
CRA	5.56	+0.04
CSR	3.03	—0.01
CastlemaineTys	8.0	—0.25
Coles (G.J.)	4.04	+0.02
Comalco "A"	1.85	......
Consolidated Pet	0.38	......
Costain Aust	1.8	......
Dunlop Olympic	2.4	+0.01
Elders IXL	3.28	+0.18
Energ Res	1.57	+0.02

AUSTRALIA (continued)

Aug. 28	Price Aust.$	+ or —
Gen. Prop. Trust ... Wormald Intl.	[illegible]	[illegible]

HONG KONG

Aug. 28	Price H.K.$	+ or —
Bank East Asia ... World Intl. Hldgs.	[illegible]	[illegible]

JAPAN

Aug. 28	Price Yen	+ or —
Ajinomoto ... M'bishi Estate	[illegible]	[illegible]

JAPAN (continued)

Aug. 28	Price Yen	+ or —
MHI ... Yokogawa Bdge.	[illegible]	[illegible]

SINGAPORE

Aug. 28	Price S$	+ or —
Boustead Hldgs. ... UOB	[illegible]	[illegible]

SOUTH AFRICA

Aug. 28	Price Rand	+ or —
Abercom ... Smith (CG) ... Tongaat Hulett	[illegible]	[illegible]

CANADA

TORONTO

Closing prices August 28

Sales	Stock	High	Low	Close	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11100	Cara	516½	16¼	16½	+⅜
2837	Celanese	501⁄2	9⅞	9⅞	
500	Colan	175	p	519	18½
5800	Centrl 1r	814⅞	14⅝	14⅞	+½
11600	Cineplex	510½	10	10¼	−¼
32650	C Distb A	57¾	7½	7¾	
88550	CDistb B I	571⁄2	7¼	7½	+⅛
11850	CTL Bank	511¾	11½	11⅝	+¼
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1849	Ipsco	314	14	14	
45230	Jannock	318	15⅞	18	
1625	Kerr Add	816	15¾	15¾	−⅛
4068	Labatt	$28⅜	28⅛	28⅛	−⅛
500	LOnt Cem	813¾	13½	13¾	+½
3800	Lacana	312½	12⅜	12½	+¼
12141	Loblaw Co	822	21⅞	21⅞	+½
5550	Lumonics	819¼	18¾	18¾	−¼
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8500	Sulpetro	200	198	198	−1
2100	Steep R	265	260	265	+2
25800	Tara	$20¼	20	20¼	+½
1000	Teck Cor A	$15¼	15⅛	15¼	+⅛
40090	Teck B I	$15⅝	14⅞	15¼	+½
11515	Tex Can	$32¾	32¼	32⅝	+⅝
6550	Thom N A	$22¼	21⅞	22¼	
88001	Tor Dm B	$24⅛	23½	23⅛	+⅜
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total sales 16,426,632 shares

MONTREAL

Closing prices August 28

Sales	Stock	High	Low	Close	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
350	MntTrst	$15⅝	15⅝	15⅝	
56430	NatBk Cda	$22⅝	22¼	22½	+⅛
6350	Power Corp	$18¾	18½	18½	−⅜
1200	RollandA	$20	20	20	
18651	Royal Bank	$31⅜	30¾	31¼	+½
1300	RoyTrstco	$23⅜	23	23⅜	+⅜
2770	SteinbrgA	$25⅜	25¼	25⅜	+⅛

Total Sales 3,265,601 shares

Indices

NEW YORK-DOW JONES

	Aug 28	Aug 27	Aug 26	Aug 23	Aug 22	Aug 21	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	1,331.09	1,322.47	1,317.86	1,318.32	1,318.10	1,320.53	1359.54 (19/7)	1184.96 (4/1)	1359.54 (19/7/85)	41.22 (2/7/32)
Transport	687.27	688.55	690.78	690.69	688.33	690.04	702.8 (17/7)	553.03 (4/1)	702.60 (17/7/85)	12.32 (8/7/32)
Utilities	160.03	159.82	159.01	158.21	159.11	159.42	168.91 (12/7)	146.54 (4/1)	168.91 (12/7/85)	10.5 (28/4/42)
Trading vol	-	82.1m	70.3m	75.5m	88.6m	94.8m	-	-	-	-

	Aug 23	Aug 16	Aug 9	Year Ago (Approx)
Ind Div Yield %	4.66	4.68	4.65	4.76

STANDARD AND POORS

	Aug 28	Aug 27	Aug 26	Aug 23	Aug 22	Aug 21	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	209.80	209.07	208.19	207.88	208.87	210.22	215.83 (19/7)	128.24 (4/1)	215.83 (19/7/85)	3.62 (30/6/32)
Composite	188.63	188.19	187.31	187.17	187.37	189.16	195.65 (17/7)	163.68 (4/1)	195.65 (17/7/85)	4.40 (1/6/32)

	Aug 14	Aug 7	July 31	Year Ago (Approx)
Ind div yield %	3.75	3.74	3.67	4.01
Ind. P/E Ratio	11.78	11.84	12.03	11.52
Long Gov Bond Yield	10.63	10.73	10.75	12.66

N.Y.S.E. ALL COMMON

Aug 28	Aug 27	Aug 26	Aug 23	1985 High	1985 Low
109.39	109.01	108.50	108.49	113.49 (17/7)	94.60 (4/1)

RISES AND FALLS

	Aug 27	Aug 26	Aug 23
Issues traded	1,986	1,963	1,957
Rises	878	763	711
Falls	623	724	734
Unchanged	485	478	512

New York Active Stocks

Stocks	Traded	Closing Prices	Change on Day
[illegible]	[illegible]	[illegible]	[illegible]

TORONTO

	Aug 28	Aug 27	Aug 26	Aug 23	1985 High	1985 Low
Metals & Minls	2,089.41	2,076.71	2,076.31	2,085.01	2190.7 (13/2)	1896.9 (4/1)
Composite	2,808.78	2,784.49	2,777.54	2,770.4	2884.6 (25/7)	2348.5 (8/1)
MONTREAL Portfolio	135.77	134.7	134.42	133.90	139.33 (19/7)	117.08 (4/1)

* Indicates pre-close figure

	Aug 28	August 27	August 26	August 23	1985 High	1985 Low
AUSTRALIA						
All ord. (1/1/80)	948.9	942.0	942.0	945.2	958.9 (15/8)	715.3 (7/1)
Metals & Mins. (1/1/80)	534.8	524.8	524.5	527.8	583.0 (20/5)	382.5 (7/1)
AUSTRIA						
Credit Aktien (2/1/62)	102.81	102.34	102.44	101.98	105.73 (17/8)	85.21 (2/4)
BELGIUM						
Brussels SE (1/1/80)	2370.75	2361.08	2338.08	2334.87	2384.12 (5/8)	2090.7 (18/1)
DENMARK						
Copenhagen SE (3/1/83)	212.68	c	211.9	214.74	217.86 (6/8)	158.44 (6/1)
FRANCE						
CAC General (31/12/82)	221.8	218.7	218.8	218.40	233.1 (31/5)	180.9 (3/1)
Ind Tendance (28/12/84)	126.6	125.2	124.0	124.6	130.4 (31/5)	100.1 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	499.89	497.96	486.06	479.86	502.82 (6/7)	382.39 (3/1)
Commerzbank (1/12/53)	1468.1	1481.3	1428.8	1415.0	1486.2 (8/7)	1111.0 (3/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1668.85	1667.30	c	1669.88	1711.61 (19/8)	1220.74 (2/1)
ITALY						
Banca Comm. Ital. (1972)	372.84	368.84	368.12	368.08	368.28 (20/8)	228.56 (2/1)
JAPAN**						
Nikkei-Dow (16/5/49)	12686.5	12691.41	12651.8	12691.4	13040.10 (8/7)	11545.2 (5/1)
Tokyo SE New (4/1/68)	1019.5	1016.0	1013.9	1015.38	1055.81 (9/7)	916.93 (4/1)
NETHERLANDS						
ANP-CBS General (1970)	217.7	217.6	217.4	217.3	220.9 (8/7)	185.6 (3/1)
ANP-CBS Indust (1970)	190.8	191.2	192.0	192.4	193.8 (22/8)	147.8 (3/1)
NORWAY						
Oslo SE (4/1/83)	355.73	350.67	356.08	363.30	360.15 (22/8)	288.18 (2/1)
SINGAPORE						
Straits Times (1966)	745.77	748.44	748.44	751.21	852.65 (7/3)	717.85 (16/7)
SOUTH AFRICA						
JSE Gold (28/9/78)	-	1037.0	1005.5	997.3	1140.8 (15/4)	838.1 (11/2)
JSE Indust (28/9/78)	-	957.8	962.7	952.1	1038.8 (17/7)	787.1 (7/3)
SPAIN						
Madrid SE (28/12/84)	110.72	110.98	110.99	110.81	117.41 (4/2)	101.48 (2/1)
SWEDEN						
Jacobson & P (1/1/58)	1332.82	1338.57	1341.01	1319.9	1488.98 (11/2)	1286.32 (9/7)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	477.4	473.2	472.1	472.8	472.4 (22/8)	388.7 (3/1)
WORLD						
Capital Intl. (1/1/70)	-	218.4	218.3	219.0	224.3 (17/7)	184.6 (4/1)

* Indicates pre-close figure ** Saturday August 17 Japan Nikkei Dow (12,812.3) TSE (1,013.24) Base values of all indices are 100 except Australia All Ordinary and Metals – 500 NYSE All Common – 50 Standard and Poors – 10 and Toronto Composite and Metals – 1000 Toronto indices based 1975 and Montreal Portfolio 4/1/83 † Excluding bonds ‡ 400 Industrials § 400 Industrials plus 40 Utilities Financials and 20 Transports c Closed u Unavailable

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES

ACM	100	+ 8
Bowater Inds	318	+ 8
Bullough	199	+ 9
Distillers	344	+20
Emess Lighting	275	+20
Fleet Hldgs	360	+15
Johnson Matthey	125	+ 7
Lucas Inds	328	+10
Pentland Inds	315	+10
Porter Chadburn	170	+ 5
Poseidon	240	+22
Utd Newspapers	308	+10

FALLS

AMEC	240	−15
Argyll Group	311	−14
Assoc Dairies	146	− 4
BTR	348	−10
Barclays	385	− 9
Beecham	338	− 8
Cons Gold Fields	400	−22
Hall Eng	134	− 6
Metal Box	470	−15
Reckitt & Colman	512	−23
Siebe	545	−25
SA Breweries	183	−22
Stand Chartered	445	−20
Taylor Woodrow	436	−17
Vaal Reefs	£48½	−£3½
Vosper	215	−25
Williams Hldgs	343	−14

OVER-THE-COUNTER

Nasdaq national market, closing prices

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued from Page 29

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23⅜	13	AAR	.50	2.5	16	165	22¾	22¼	22⅜	−¼
17⅜	9¾	AGS			12	3	15⅞	15⅞	15⅞	
21½	13	AMF	.25j		95	194	13⅜	13⅜	13⅜	
50¾	24⅞	AMR			8	9705	45⅞	44¾	40	−⅝
23⅜	16⅝	AMR pf	2.18	9.2		18	u23½	23¼	23⅝	+⅛
14¼	7⅝	APL				7	9⅝	9⅜	9⅜	
61⅛	36¾	ASA	2	5.5		2821	36¾	d34¾	36⅜	−⅛
27	12½	AVX	.32	2.8	18	8	12	13	13	
28⅛	18⅛	AZP	2.72	11.	7	311	24⅞	24¾	24¾	−⅛
60	38¾	AbtLab	1.40	2.4	13	2114	58¾	57⅝	58½	+⅛
25⅞	20	AccoWd	.50	2.2	17	86	22½	22	22½	+⅜
24¾	12½	AcmeC	.40	2.8		185	14½	13¾	14½	+½
10½	7⅜	AcmeE	.32b	4.0	11	2	8	8	8	+⅛
18	15½	AdaEx	1.92e	11.		62	17¾	17⅜	17⅜	−¼
20	12½	AdmMl	.32	2.0	7	5	16⅜	16¼	16¼	
16¾	6⅝	AdvSys	.53t	4.3	16	20	12¼	12⅛	12¼	
46⅞	22⅛	AMD			17	2577	27⅞	27¼	27⅛	+⅜
12⅛	6⅞	Advest	.16	1.2	21	194	9½	9⅜	9⅝	−⅛
15⅞	9½	Aeroflex			12	26	13⅜	13	13¼	+⅛
49⅝	32⅜	AetnLf	2.64	5.8	16	808	45⅛	44¾	45	
57½	52⅜	AetL pf	5.76e	10.		169	57⅛	57	57⅜	+⅛
37⅜	18¼	Ahmns	1.20	3.8	8	969	31¾	31⅛	31⅜	
3⅝	2½	Aileen				54	3¼	3⅛	3¼	+⅛
57	42	AirPrd	1.20	2.2	16	186	53¾	53½	53⅝	+⅛
24⅜	15	AirbFrt	.60	2.6	13	174	22⅞	22½	22¾	+⅛
2⅛	1⅛	AlMoa	s.10e	4.7		21	2⅛	2	2⅛	+⅛
28¼	23⅝	AlaP	pf2.74e	10.		1	27½	27½	27½	−⅜
33¾	27¼	AlaP	pfA3.92	12.		9	31	30⅞	31	
8⅛	6¼	AlaP	dpl.87	11.		8	7¾	7¾	7¾	−⅛
82	53½	AlaP	pf 9	12.		z120	78	77	78	
106¼	96	AlaP	pf 11	11.		z180	103½	103½	103½	
58	67⅞	AlaP	pf 9.44	12.		z60	81½	81½	81½	−4
74	58½	AlaP	pf 8.16	12.		z180	70½	70½	70½	+⅛
75	57	AlaP	pf 8.28	12.		z1300	71½	70½	70½	
16⅛	11¾	Alagsco	1.04	7.4	10	20	14⅛	14	14	
26⅝	11½	AlskAir	.13	.7	6	4531	22¼	20⅞	21⅜	−⅛
25	11½	Alberto s	.38	1.9	19	22	24⅛	24⅛	24⅛	−¼
33¼	26⅝	Albtsns	.76	2.7	11	338	28	27⅝	27⅞	
31¼	23¼	Alcan	1.20	4.3	28	994	28	27¾	27¾	
38⅞	27⅛	AlcoStd	1.20	3.4	13	61	35¾	35½	35¾	+⅜
32	20¼	AlexAlx	1	3.6		382	28⅜	28⅛	28⅛	
25½	20⅜	Alexdr			22	5	24½	24⅜	24⅜	−⅛
89½	72¼	AllgCp	1.54t	2.8		15	76⅛	75¾	75¾	−¼
26¾	20¼	AlgInt	1.40	6.6		29	21⅛	21	21⅛	+⅛
20⅜	16⅝	AlgIn	pf2.13	12.		8	18⅜	18⅛	18⅜	+⅛
96	85	AlgI	pfC11.25	12.		18	93½	93	93½	+¾
34⅜	26¼	AllgPw	2.70	8.8	9	292	30¾	30⅜	30⅝	
23½	15¾	AllenG	.60b	2.7	14	49	22	21¾	21⅞	
46¾	32⅜	AlldCp	1.80	4.2	8	1938	41⅞	41⅛	41½	−⅛
60	57⅛	AldCp	pf6.74	10.		71	64⅞	64¼	64¼	−⅝
[illegible]										

Continued on Page 29

girl—mole, perhaps (9) London NW11.

NYSE COMPOSITE CLOSING PRICES

Continued from Page 28

12 Month High	Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7⅞	3⅜	RvrOk n			6	70	5½	5⅜	5½	
36⅝	28⅛	Robshw.19		3.2	6	69	35⅛	34⅞	34⅞	
44½	26	Robtsn 1.60		5.6		72	27⅛	27	27¼	−⅜
24⅜	5½	vjRobins				671	8¼	8⅛	8⅛	+⅛
24⅛	15½	RochG 2.20		9.8	6	89	22⅞	22¾	22⅞	
42⅛	29½	RochTl2.44		6.6	6	32	37⅛	36⅞	37	−¼
41¾	27¾	Rockwl1.12		2.7	10	954	41⅛	40¾	40⅞	−¼
73	55¾	RohmH2.20		3.3	11	486	65¾	64¾	65¾	+1½
66	39	Rohrln			12	425	65⅞	64⅝	65¾	−¼
27⅛	12½	RolnCm.40		7.6	30	75	24⅝	24½	24⅝	
36⅝	10½	RohnEs .18		.4	91	1248	22⅝	21⅞	22½	+⅞
18⅛	5¼	RolnE wi				7	12⅛	12⅛	12⅛	+⅛
12⅛	8¾	Rollins .48		4.6	17	1586	11¾	11½	11⅝	−⅛
3⅞	2	Ronson				13	2⅛	2	2⅛	+⅛
18	13⅛	Roper .84		4.9	15	16	13¾	13⅛	13⅛	−¼
39⅝	24	Rorer 1.12		3.6	16	1821	38⅛	37⅜	37⅞	−½
13	7⅝	Rowan .12		1.3	53	1047	9	8¾	9	+¼
62⅜	46	RoylD 3.07e		4.8	7	1988	62⅜	61⅞	62⅜	+⅝
17	9¾	RoyInt s			17	111	14	13⅞	13⅞	−⅛
55¾	37½	Rubrmd.96		1.8	16	74	52⅜	52⅛	52⅛	+⅜
27⅛	26⅜	Rubmdwi				1	26½	26½	26½	+⅛
26	14¾	RussBr.			13	438	20½	19⅞	19⅞	−⅜
20¾	15⅝	RusTog .78		3.8	10	16	19⅝	19⅝	19⅝	−⅛
31¼	19	RyanH 1		3.7	11	158	27⅛	26¾	27	+½
30⅞	22	Ryder s .80		2.1	11	1183	28½	28⅛	28⅛	−¼
29	17	Ryland .68		2.7	15	16	24¼	24	24¼	
20⅛	6½	Rymer			5	40	18½	18⅛	18¼	
13⅜	11½	Rymer pf1.17		9.4		28	12½	12⅜	12½	+⅛

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12 Month High	Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
86¼	37½	SCM		9 3.6	16	2967	67½	67	67½	−¼

12 Month High	Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
43¼	30½	ThmBet.36		3.7	18	49	37⅜	36⅝	37¼	+⅜
19⅛	13⅞	Thomin.68b		3.6	11	47	19	18⅞	18	+⅛
23¾	13¼	ThmMed.40		2.6	16	34	15½	15⅜	15⅝	−⅛
22⅞	77½	Thrifty .60		3.2	12	286	18⅞	18⅞	19	
24⅜	13¾	Tidwtr .90		5.7		933	16	15⅜	16¼	+¼
10½	5⅜	Tigerln				2443	7¼	7	7	−¼
61¾	40	Time 1		1.7	17	1080	57½	56⅞	57¼	−¼
23¼	14¾	Timplx			17	19	19⅝	19⅜	18½	
58½	35⅛	TimeM 1.36		2.7	14	2052	49⅞	49⅛	49⅝	−⅜
57⅞	48	Timken1.80a		3.7	22	40	48⅞	48¾	48¾	−⅛
9¼	4⅝	Titan				39	7¼	7	7	−⅛
11⅜	8⅛	Titan pf 1		9.8		33	10¼	10¼	10¼	
39½	26⅝	TodShp1.32		4.2	8	301	32¼	31½	31½	−⅞
21¼	15¾	Tokhms .48		9.6	11	26	19⅝	18½	18⅝	+⅜
21¼	15	TolEdis2.52		12.	6	375	20⅞	20⅜	20¾	
29½	24⅝	TolEd pf3.72		13.		56	28⅛	27⅞	28	+⅛
30¼	22¾	TolEd pf3.75		13.		74	28⅜	28⅛	28⅛	−¼
26	91	TolEd pf3.47		13.		16	26⅜	26¼	26⅜	+⅛
35⅞	26⅛	TolEd. pf4.28		13.		13	32⅛	31⅞	32⅛	+¼
26⅜	14½	TolEd pf2.36		13.		7	18⅞	18¾	18¾	
18⅞	14⅛	TolEd pf2.21		13.		14	17½	17¼	17½	−⅛
30	8⅜	Tonka s .16		.4	6	103	27½	27¼	27⅜	+⅛
53⅜	26	TootRol.48b		1.0	13	30	40⅛	47½	48	+½
52⅞	26⅛	Trchmk 1		2.2	12	292	44⅞	44½	44⅝	−⅛
17½	10	ToroCo .40		2.4	11	35	16½	16⅜	16½	+⅜
5	7	Tosco				646	3⅜	3¼	3⅜	+½
17¼	8¼	Towle				23	6¼	9⅛	9¼	+⅛
10¼	6	Towle pf.44		6.9		4	6⅜	9¼	6⅜	+⅛
41¼	25¾	ToyRU s			27	813	35⅞	35⅜	35⅝	+¼
28¼	17½	Tracr s .32		1.5	14	600	21⅜	21½	21⅝	+⅜
23	6⅞	TWA				4338	22	22⅛	22⅛	−¼
16	12⅝	TWA pf 2.25		16.		738	15⅛	16	15	

12 Month High	Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
12¼	6⅝	Wiebldt		3.7		178	12⅛	11⅞	11⅞	−¼
16⅛	6	Wilfrd n			12	50	12¼	12	19	−¼
13¾	7⅛	WillcxG			6	40	13½	13¼	13¼	−¼
33	26¼	WilliamC.40		4.4	18	1731	31⅝	30½	31½	
5½	2	WilmEl				256	4¼	4⅛	4⅛	
8⅛	6⅛	WilshrO.16		7.6		21	6⅜	6¼	6⅜	
38⅜	29⅜	WinDix1.74		4.6	14	154	36	35	36	+⅜
20⅞	8⅝	Winnbg .20		9.8	9	356	10½	10¼	10¼	−⅞
11⅞	5⅛	Winner			183	97	5⅜	5½	5½	−⅜
8¼	3¾	WinterJ				5	7¼	7¼	7¼	+⅛
40½	28⅜	WiscEP2.48		6.9	6	978	35⅞	35⅝	35¼	
26	23⅝	WisG pf2.55		10.		7	25½	25½	25½	+⅜
40⅜	28¾	WiscPL2.76		7.5	9	72	37⅛	36⅞	36⅞	−⅜
38¼	29	WiscPS2.85		7.4	8	80	38¾	38½	38½	−⅛
40½	30½	Witco 1.40		4.2	9	100	35⅛	35⅜	35⅝	−½
15¼	9½	WolvrW.24		2.1		247	11⅝	11¼	11¼	−½
48⅜	33⅜	Wolwth 2		4.1	16	825	u49⅛	48⅜	48	+½
69½	48	Wolw pf2.20		3.2		16	u69	68½	69	+½
4⅞	2⅝	WrldAr				43	4⅜	4⅛	4½	−⅛
61¾	54⅛	Wrigly 1.80a		2.3	14	2	79	78¾	79	+½
4⅞	2⅞	Wurltzr				35	3⅜	5¼	3⅜	+⅛
16⅞	70⅜	WyleLb .32		2.7	13	115	71⅞	11⅝	11⅞	
23⅜	15½	Wynns .60		3.2	8	47	19⅛	18⅞	19	+⅛

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12 Month High	Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
56½	33¼	Xerox 3		5.7	14	2154	52½	52	52⅜	+⅜
55½	48½	Xerox pf5.45		9.8		875	50¼	55¼	55¼	−⅛
30¼	24⅜	ZaleCp 1.32		4.9	9	27	27⅛	27	27	
21½	8¼	Zapata .12		7.4	62	135	8⅜	8½	8⅜	+⅛
57⅝	51⅛	Zayre s .48		.9	18	75	52½	52¼	52¼	+¼
27	17½	ZenithE			11	827	19⅛	18⅜	18⅞	+⅛
21⅞	15¾	Zero s .32		1.7	16	139	19¼	18½	18¼	+⅛
35¾	22¾	Zurnln 1.32		3.7	12	504	35½	35⅜	35¼	+¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 19 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 19 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued on Page 27

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Labor Day holiday mood takes hold

INVESTMENT ACTIVITY remained slow on Wall Street yesterday, with the ranks of traders already thinning out ahead of the Labor Day weekend break *writes Terry Byland in New York.*

Stock prices moved sharply upwards at the end of the session, but in turnover still moderate by average standards. Bonds eased ahead of today's disclosure of the Commerce Department's index of leading economic indicators.

The Dow Jones industrial average, firm throughout the day, spurted ahead in the last half hour to close a net 6.62 points higher at 1,331.09 on turnover of 88.8m shares. The broader market edged higher.

Credit markets opened firmly despite a soaring federal funds rate of 8¾ per cent, which reflected demands for short-term cash ahead of the three-day weekend. At noon, the Fed made its expected appearance with overnight system repurchases, and then the announcement that it would buy Treasury bills, including $300m for its customer accounts, after the day's auction of five-year notes.

Federal funds settled down to around 8¼ per cent, with other short-term rates showing little change from overnight and bond prices came off the top.

In the stock market, trading activity came mostly from short-term operators who expect the market to improve, at least temporarily, when the turnover picks up after the Labor Day break. But there was no genuine investment support behind the initial rally and the market soon turned irregular.

Some analysts now suggest that Wall Street has yet to adjust to the signs of a slower economy and that next month may bring a downwards ratcheting of forecasts of corporate profits. In addition, investors are worried over the outlook for the credit markets, where opinions divide between those who expect the Fed to ease credit to stimulate the economy and those who believe that a surging money supply will effectively tie the Fed's hands.

Special situations continued to provide many features. ITT, long a takeover prospect, jumped $½ to $33⅞, in heavy turnover. Uniroyal dipped $¼ to $21¼, also in very heavy turnover, on reports that the Environmental Protection Agency will bar use of one of its agricultural chemical products.

Wall Street was poised for Union Carbide's announcement of a major restructuring plan in the wake of its recent problems. The shares, suspended at $54⅞ on the NYSE, returned to massive trading of nearly 5m shares, closing a net $⅝ up at $55½.

Westinghouse Electric, also briefly suspended, spurted $4⅜ to $37⅞ in heavy trading on proposals to buy back 25m shares, or about 14 per cent of the equity.

General Public Utilities rose $⅞ to $14⅝ after a Federal appeals court unexpectedly supported the former ruling allowing it to restart the Three Mile Island plant.

But blue-chip stocks remained rather out of the picture. Airlines took fresh losses as brokerage analysts turned bearish. American, a recent target for bearish comment, fell a further $⅝ to $45¼ in hefty turnover, and other domestic carriers to weaken included Delta, down $⅜ to $45⅞, and Eastern, down $¼ at $11⅛. Pan Am, however, rallied from an early fall to stand $⅛ up at $8.

The computer and technology stocks were either side of their overnight prices, without attracting much investment interest. IBM at $128 shed $¼, Honeywell at $61¾ was unchanged.

There were some firm spots among the heavy industrials, where General Electric managed a gain of $⅝ at $61½. Boeing at $48½ added $⅜, but was still unsettled.

On the takeover scene, SCM at $67½, eased $¼ on slack turnover as speculators waited, hopefully, for a new twist in the bid struggle between Hanson Trust of the UK and the SCM directors who strongly oppose Hanson's $60-a-share offer.

U.S. banks were unaffected by reports that some foreign banks were refusing to roll over credits to South Africa. Bank stocks moved in line with the rest of the market, Chase Manhattan adding $⅛ to $56¼ and Bankers Trust ¼ to $65⅝.

Among companies reporting results, U.S. Shoe, $¾ up at $35½ on sharply higher profits, provided the main feature.

LONDON

S. Africa at centre of attention

A SHARP SETBACK in South African gold and industrial shares on the London Stock Exchange yesterday, following the South African authorities's suspension of domestic dealings until next Monday, provided the main source of interest.

Trading on the Johannesburg stock exchange is suspended until Monday. However, South African shares were marked lower as trading continued in London, Frankfurt, Zurich and New York.

These developments made little impact on most UK blue chips, but triggered selling of companies with South African interests.

Lack of fresh investment demand and a little profit-taking was largely responsible for a modest early setback in the equity leaders.

But helped by late support for Lucas up 10p at 328p and a further speculative gain in Distillers, 20p ahead at 344p, the Financial Times Ordinary index finished 1.2 higher at 991.3, having retreated more than 5 points at the mid-day calculation.

Activity in the gilt-edged market failed to expand from the recent low levels. However, quotations were inclined a fraction harder in both long and short-dated stocks.

Chief price changes, Page 27; Details, Page 26; Share information service, Pages 24–25

HONG KONG

A MIXED PERFORMANCE was seen in Hong Kong, despite the interim results from Hongkong and Shanghai Banking late the previous day which were at the upper end of many estimates.

Some profit-taking erased early gains in the shares, leaving Hongkong Bank to close unchanged at HK$7.75.

The Hang Seng index ended just 1.55 higher at 1,668.85, with many investors awaiting results tomorrow from Cheung Kong, 10 cents lower at HK$16.60, and Swire Pacific, unchanged at HK$25.60.

SINGAPORE

THE CONTINUED ABSENCE of foreign demand left Singapore again drifting lower with the Straits Times industrial index registering a 2.77 decline to 745.67.

Analysts see no early end in sight to the lacklustre performance. However, they hope that stimulative measures could be announced as part of the Malaysian budget on October 25, or by the economic committee set up to review Singapore's development policies, which is due to report at the end of the year.

Supreme Corp topped the active list ending 4 cents higher at S$1.77.

AUSTRALIA

VIGOROUS BUYING of gold shares, as investors reacted to the tense South African situation, spurred a strong Sydney advance. The Gold index added 55.3 to 1,098.4, while the All Ordinaries index put on 5 to 946.9.

Kidston was one of the strongest gold stocks as it reported four month profits, advancing 42 cents to A$6.06.

BHP rose 6 cents to A$7.16 in active trading while CSR fell 1 cent to A$3.03.

Bond Corp ordinary shares added 5 cents to A$1.80, after trading as high as A$1.86, and the new shares rose 11 cents to A$1.66

CANADA

A CONTINUING RISE in gold stock prices propelled Toronto higher in active trading.

Lac Minerals traded C$1⅝ higher to C$39¾ after the previous day's C$1¼ advance, while Dome Mines put on C$¼ to C$13½ and Echo Bay was C$¼ ahead at C$20⅞.

TOKYO

Financials return to favour

ENERGETIC SALES efforts by securities houses boosted equity trading in Tokyo yesterday, with hidden-asset and financial issues returning to favour but large-capital and public works-related stocks retreating, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average finished 5.91 points lower at 12,685.50 on a volume of 820m shares, up sharply from the previous day's 520m. Losses outpaced gains by 412 to 400, with 131 issues unchanged.

Trading in big-capital issues continued active, but selling tended to outpace buying in reaction to the boom that began early last week.

Mitsubishi Heavy Industries remained the most active stock with 58.4m shares changing hands, but shed Y8 to Y395 on profit-taking. Similar issues to follow suit included Nippon Steel, easing Y2 to Y179, and Kawasaki Heavy Industries, down Y5 to Y222.

Minebea, which soared in the previous session on reports of a possible takeover by a U.S. investment company, moved erratically on speculative interest. It climbed Y80 to Y800 at one stage in the morning, but fell back to Y750 on late heavy selling before closing Y40 up on balance Y780 on a volume of 22.7m shares.

In this speculative mood, Takasago Perfumery, Co-op Chemical and Fujiya were also traded actively, rising Y55 to Y685, Y19 to Y455, and Y220 to Y2,100, respectively.

Many constructions suffered heavy selling. Obbayashi firmed Y2 to Y447, but Kajima lost Y9 to Y480, Fudo Construction Y59 to Y540, Daisue Construction Y22 to Y358 and Tobishima Y23 to Y411.

Stocks with hidden assets like properties, warehousings and railways attracted numerous buyers. Mitsubishi Estate, the most popular in this category, gained Y46 to Y1,000 at one stage, but closed only Y26 up at Y980 on a volume of 29.83m shares, the third busiest.

Mitsui Real Estate Development climbed Y39 to Y920 and Sumitomo Realty and Development Y28 to Y858.

Financial stocks, particularly non-life insurances, gained ground. Tokio Marine and Fire Insurance jumped Y33 to Y928, Sumitomo Marine and Fire Insurance Y34 to Y725 and Yasuda Fire and Marine Insurance Y40 to Y595. Some city bank and brokerage stocks were also sought.

Bond market yields tumbled across the board as city banks and other dealers traded heavily to make quick profits.

The yield on the benchmark 6.8 per cent government bond due in December 1994 fell to a record low of 6.105 per cent from Tuesday's 6.160 per cent, down from the previous low of 6.145 per cent seen on August 23.

EUROPE

Rate hopes provide the lure

THE LURE of lower interest rates competed with the latest batch of corporate trading statements for investor attention on the European bourses yesterday.

Milan basked in the glow of a one percentage point cut in prime rate by several leading banks to 16 per cent and found further support on reports that the BI-Invest/Montedison takeover tussle had reached a conclusion with the Bonomis abandoning attempts to regain control of the property and insurance group from the chemical major.

The Banca Commerciale index hit a new high for the year with a 5.80 rise to 372.64.

BI-Invest finished the session L190 stronger at L6,000, while Montedison picked up L69 to L2,225.

Other features included Fiat, L193 higher at L4,199, just L50 short of its high for the year, while Olivetti added L107 to L6,655.

Insurers made modest progress although Toro's L525 rise to a 1985 high of L18,150 and Generali's L890 rally to L56,990, just below its high for the year, provided some isolated bright spots.

Leading banks were mixed with Banca Commerciale shedding L120 to L24,160.

Bargain hunters surfaced in **Zurich** after several days of relative inactivity. The buying pressure was sufficient to force several leading indices to new highs, notably the Swiss Bank Industrial index which rose 3.8 to a 12-month peak of 477.4.

Sentiment was underpinned by a round of interest rate cuts by Swiss banks on short and medium-term cash bonds, which will result in better yields for bank shares. Late buying of banks stocks by overseas investors ensued, although many finished lower on the day. Swiss Bank dipped SwFr 2 to SwFr 480, Union Bank lost SwFr 15 to SwFr 4,355, and Bank Leu held steady at SwFr 3,840. Credit Suisse managed to secure a SwFr 15 gain to SwFr 3,065.

New life was breathed into insurers with a SwFr 200 jump to SwFr 13,300 for Swiss Re and a SwFr 50 fillip to SwFr 4,750 for Winterthur.

Bond sentiment was underpinned by the bank's move on medium-term note rates.

Lively trading in **Frankfurt** took the Commerzbank index 6.6 higher to 1,468.1, just 25 points short of its all-time peak.

Domestic institutional buying helped offset some late profit-taking while foreign investors continued to focus on export and dollar-sensitive issues.

Cars, however, lost some of the lustre of the previous session, with VW outpacing the rest of the sector with its DM 2.20 advance to DM 335.70 as Porsche lost DM 2 to DM 1,330 and Daimler slipped DM 3 to DM 964.

Kaufhof led the stores sector with a DM 3.80 rise to DM 295, while Horten, forecasting a rise in group turnover, edged DM 2 down to DM 193.

Banks featured two strong showings: Bayerische Vereinsbank DM 8 ahead at DM 400 and Deutsche Bank DM 7 up at DM 585.50.

Bayer lost 80 pfg to DM 223.10 despite good results and Hoechst firmed 30 pfg to DM 216.80 on rationalisation proposals.

Bond prices rose by 25 basis points although some long-dated maturities posted gains of up to 35 basis points. The Bundesbank sold the market DM 42.3m of paper against Tuesday's purchases of DM 27.3m.

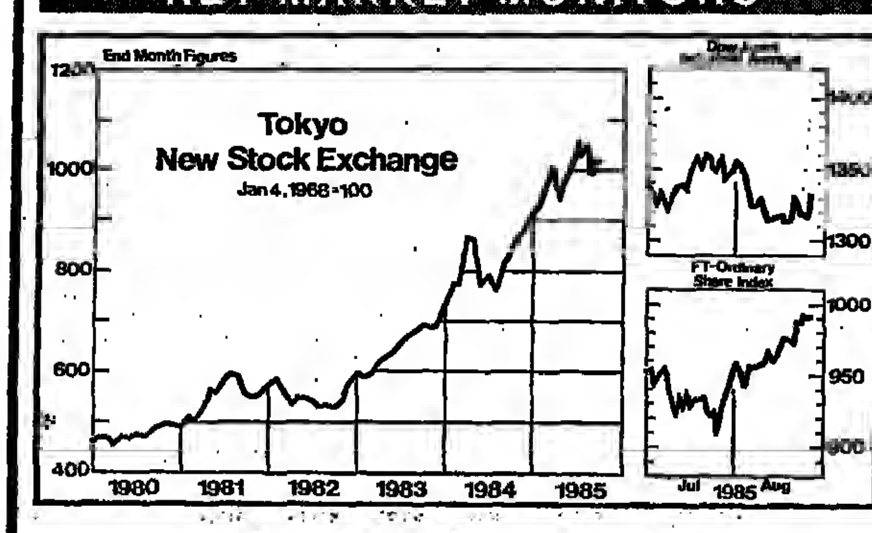
A mixed **Amsterdam** was awash with corporate news. Pakboed turned Fl 1.50 cheaper to Fl 64 on lower first-half results, while Nat-Ned's healthier first-half showing failed to excite and the bank lost Fl 4.30 to Fl 73.30.

Trading in Boskalis which has fought hard to recover from recent troubles, was suspended pending an announcement.

Brussels finished higher although market leader Petrofina dipped BFr 30 to BFr 6,250

Madrid eased, Stockholm was featureless with the exception of the suspension of trading in Consafe, while Paris enjoyed a broad advance led by constructions.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Aug 28	Previous	Year ago
DJ Industrials	1,331.09	1,322.47	1,232.11
DJ Transport	687.27	688.55	520.08
DJ Utilities	160.03	159.62	129.57
S&P Composite	188.83	188.10	167.40
LONDON	Aug 28	Previous	Year ago
FT Ord	991.3	990.1	849.8
FT-SE 100	1,308.2	1,310.8	1,082.3
FT-A All-share	633.64	634.65	516.13
FT-A 500	694.24	694.38	559.31
FT Gold mines	290.4	306.8	564.0
FT-A Long gilt	10.32	10.32	10.58
TOKYO			
Nikkei-Dow	12,685.50	12,691.41	10,575.9
Tokyo SE	1,019.50	1,018.0	816.58
AUSTRALIA		Previous	Year ago
All Ord.	946.9	942.0	739.1
Metals & Mins.	534.8	524.8	471.1
AUSTRIA			
Credit Aktien	102.81	102.34	53.11
BELGIUM			
Belgian SE	370.75	2,361.09	–
CANADA			
Toronto			
Metals & Minls	2,086.41	2,076.7	2,068.0
Composite	2,800.78	2,784.4	2,378.1
Montreal			
Portfolio	135.77	134.70	117.20
DENMARK			
SE	212.66	211.90	187.83
FRANCE			
CAC Gen	221.8	219.7	170.5
Ind. Tendance	126.6	125.2	90.7
WEST GERMANY			
FAZ-Aktien	499.69	497.96	337.75
Commerzbank	1,468.1	1,461.3	987.0
HONG KONG			
Hang Seng	1,668.85	1,667.30	898.91
ITALY			
Banca Comm.	372.64	366.84	218.84
NETHERLANDS			
ANP-CBS Gen	217.7	217.8	164.1
ANP-CBS Ind	190.8	191.2	131.0
NORWAY			
Oslo SE	355.73	350.87	264.44
SINGAPORE			
Straits Times	745.77	748.44	940.80
SOUTH AFRICA			
JSE Golds	–	1,037.0	957.8
JSE Industrials	–	957.8	829.4
SPAIN			
Madrid SE	110.72	110.98	97.71
SWEDEN			
J & P	332.92	1,336.57	1,480.01
SWITZERLAND			
Swiss Bank Ind	477.4	473.2	377.3
WORLD	Aug 27	Prev	Year ago
Capital Int'l	219.4	219.3	184.3

GOLD (per ounce)

	Aug 28	Prev
London	$340.00	$334.75
Zürich	$340.85	$336.25
Paris (fixing)	$340.70	$335.48
Luxembourg	$339.45	$335.30
New York (Oct)	$342.80	$339.60

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Aug 28	Previous	STERLING Aug 28	Previous
$	–	–	1.402	1.3935
DM	2.771	2.789	3.8825	3.88
Yen	236.9	237.35	332.25	330.0
FFr	8.4525	8.515	11.86	11.8475
SwFr	2.267	2.2865	3.175	3.1825
Guilder	3.1185	3.138	4.3725	4.3662
Lira	1,862.0	1,865.5	2,610.5	2,592.6
BFr	56.05	56.55	78.6	78.405
C$	1.3612	1.362	1.9096	1.8928

INTEREST RATES

	Aug 28	Prev
Euro-currencies (3-month offered rate)		
£	11⅜	11⅝
SwFr	4⅜	4⅜
DM	4⅝	4⅝
FFr	10¹⁵⁄₁₆	11⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	8⅛	8⅛
6-month U.S.$	8⁵⁄₁₆	8⁵⁄₁₆
U.S. Fed Funds	8¼*	7¹³⁄₁₆
U.S. 3-month CDs	7.75*	7.75
U.S. 3-month T-bills	7.05*	7.04

U.S BONDS

Treasury		Aug 28* Price	Yield	Prev Price	Yield
8⅞	1987	100⁹⁄₃₂	8.82	100⁹⁄₃₂	8.82
10⅜	1992	101³⁰⁄₃₂	9.967	101²⁴⁄₃₂	8.98
10½	1995	102¹⁷⁄₃₂	10.11	102¹⁶⁄₃₂	10.12
10⅝	2015	102¹¹⁄₃₂	10.369	102⁴⁄₃₂	10.38

Corporate	Aug 28* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	100⅞	10.10	100⅞	10.10
3⅞ July 1990	82¾	8.25	82¾	8.25
8¾ May 2000	83⅜	10.85	83⅜	10.85
Xerox				
10⅜ March 1993	100⅞	10.45	100⅞	10.45
Diamond Shamrock				
10⅜ May 1993	100⅜	10.50	100⅜	10.50
Federated Dept Stores				
10⅜ May 2013	95.500	11.15	95.500	11.15
Abbot Lab				
11.80 Feb 2013	103.748	11.35	103.748	11.35
Alcoa				
12⅛ Dec 2012	101⅞	12.00	101⅞	12.00

Source: Salomon Bros

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Sept	78-05	78-09	77-30	78-03
U.S. Treasury Bills (IMM) $1m points of 100%				
Sept	93.07	93.08	93.05	93.05
Certificates of Deposit (IMM) $1m points of 100%				
Sept	92.30	92.34	92.28	92.32
LONDON				
Three-month Eurodollar $1m points of 100%				
Sept	91.98	92.00	91.96	91.94
20-year Notional Gilt £50,000 32nds of 100%				
Sept	112-04	112-11	112-04	112-06

COMMODITIES

(London)	Aug 28	Prev
Silver (spot fixing)	456.15p	452.20p
Copper (cash)	£996.50	£994.50
Coffee (Sept)	£1,641.50	£1,663.50
Oil (spot Arabian Light)	$27.65	$27.65